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NEAR EAST/NORTH AFRICA REPORT

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PERSIAN GULF AFFAIRS

STATUS OF ASIAN LABOR FORCE REVIEWED

Asians Number 2.5 Million

Kuwait AL-SIYASAH in Arabic 28 Sep 81 p 9

[Article: "Special Report to GULF NEWS AGENCY on Asian Labor Situations in the Persian Gulf Area; Size of Asian Labor Force in Gulf Countries Nears 2.5 Million; Number of Immigrant Workers in UAE Nearly Three Times the Native Population"]

[Text] A report to the GULF NEWS AGENCY has clarified the status of the Asian labor force in the Gulf region and the quantitative and qualitative developments that have occurred in this area in recent years. The report also explains the political, economic, and social effects of this phenomenon, which should be studied from a serious perspective. Because of the importance and seriousness of this matter, AL-SIYASAH is publishing this report in a series of articles.

The rapid developments that have taken place in the Persian Gulf region during the second half of this century have played a tremendous role in changing the political, economic, and social aspects of life in the region. During the years immediately following the 1950's, the region experienced a rapid increase in rates of industrial and commercial growth.

This rapid growth was accompanied by a growth in the labor force and an effort on the part of this labor force to come to grips with the new social and economic reality in the region, which came to possess the world's largest reserves of oil. In fact, this area was and is the world's number one region in the production, exportation, and storage of oil.

The problem of employment and labor which pervades all aspects of this development became perhaps the greatest of the challenges and problems that confronted the states of the region. Like all the developing states, the Gulf states suffered initially from a low ratio of labor force to total population.

Foreign manpower poured into this area in awesome numbers. This flood of immigrants, who brought with them cultures, ideas and modes of behaviour that were alien to the states of the area, created a tremendous problem with respect to finding means of regulating this labor force presence.

It must be recognized at this point that the phenomenon of an influx of foreign labor--particularly Asian labor--is not new. During their presence in the region, the colonialists sought to inaugurate and entrench this phenomenon with the aim of obliterating the Arab characteristics of the region and isolating it from the larger Arab nation by creating an imbalance in the demographic composition of these societies and steadily inoculating them with Asian labor.

The problem of Asian labor in the Persian Gulf countries became one of the foremost issues occupying the minds of opinion leaders and officials in the Gulf countries on both the popular and official levels. It also gained the attention and study of numerous political, economic, and labor organizations in the other Arab countries. Moreover, the specialized international organizations have given much attention to this problem for a number of cultural, economic, and humanitarian reasons.

Because of the importance of this issue at the Arab level and in the Gulf region in particular, discussion of Asian labor has taken on an exceptional dimension. This is due to several factors, including the nature of conditions in the area, the size of its population, the resources lying beneath its lands and waters, its strategic position at a crossroads of international communications and transportation, and foreign ambitions with respect to its territory and resources on the part of a number of states and blocs both near to the area and at some distance away from it.

For these reasons individually or collectively, the issue has been put forward vigorously in the political, economic, and legal institutions of the Gulf countries. One view that has developed holds that some agency or agencies are behind a systematic operation to infiltrate Asian races into the Gulf with the aim of altering the demographic character of the area gradually as part of a long-range plan.

This serious situation has materialized as a result of the small population base in the area states and the lack of local labor to meet the needs of the development projects. However, this has in turn created the greatest and most dangerous labor immigration problem in the modern era. An even greater cause for pessimism in this regard is that this phenomenon--Asian immigration--is unprecedented in the history of any past immigrations from the standpoint that the immigrant workers have never before constituted the greatest majority of the labor force and penetrated so deeply into all aspects and areas of economic and commercial activity as in the UAE today. According to a social study conducted by UAE University, immigrants outnumber the original population of the state by almost three to one.

As we have mentioned, the ambitious projects and plans and the varied services that have begun to be offered by the area states undoubtedly require large numbers of workers of all types, both skilled and unskilled. Along with this, the level of dependence on the importation of cheap labor has expanded. In this connection, one study estimated that there were around 362,772 Asian workers in the region in 1975. This represented 42 percent of the existing labor force in the entire area. Assuming that growth rates in the region remain steady, which is the optimistic view of the situation, Asian workers will reach three or four times this number in the early 1980's, according to unofficial estimates.

Other relevant statistics indicate that Asian workers in the area make up over 2.5 million of the immigrant workers currently residing in the Gulf Oil States. A majority of these workers have thus immigrated from the Asian states.

Other statistics indicate that there are now more than 1 million Asian workers in the Gulf area. However, this figure is certainly far short of the actual number. South Korean workers alone now number nearly 300,000.

The rapid growth of the Asian labor force in the Gulf states is attributable to the dominance of the private sector in all the economies of the area states. When this sector controls commercial and economic activities and some light industries and conversion industries, it naturally strives to attain the greatest possible profit and the smallest possible loss. In this connection, we note that Asian laborers--particularly the Indians and Pakistanis--can tolerate any working conditions and any level of wages. This is a result of the deterioration of economic and social conditions in their original homeland. This fact provided an answer to the inadequacy of the local labor market in the area states, which acquired their independence in the early 1970's. The colonialists had worked previously to block opportunities to create any industries that would benefit the area states, and this had diminished the capabilities and skills of local labor and had rendered it incapable of managing the modern projects that would emerge in the area.

Perhaps we should turn our attention at this point to another basic factor, which is reflected by the failure to organize the hiring of Arab labor in a clear and outright manner, not to mention the fact that restrictions were placed on the hiring of Arab labor in several areas. In contrast, we find that there are highly efficient and organized international agencies for the importation of Asian labor. However, we must not forget that despite the commendable standards attained by Arab labor, it has not yet reached the point where it is qualified to provide the desired level of management for social, economic, and industrial development operations in the states of the area. It is only in the last few years that the Arab states have experienced the industrial progress attained by most of the states that export European labor and some Asian states such as Japan and Korea. Aside from this, the special Arab agreements aimed at hiring Arab manpower and arranging for the relocation of Arab workers did not find their way into application for a number of reasons. This encouraged the unrestricted importation of Asian labor.

One of the paradoxes in the labor structure of the Gulf states is the fact that one can find unemployment among the domestic workers in a given Gulf country which at the same time deems it necessary to import foreign workers. This is the result of social factors and prevailing ideas which lead the local workers to refuse certain jobs because they do not guarantee high social status or do not conform to the customs and traditions that prevailed before the beginning of the phase of development and advancement.

It has also been noted that the foreign workers coming into the area are concentrated primarily in the building and construction services sector and are employed in low numbers in the agricultural sector in some Gulf countries. In terms of nationality, they are limited to Indians, Ceylonese, Pakistanis, Bengalis, South Koreans, Filipinos, Thai, Singaporeans, and Japanese. These workers are characterized by a low level of abilities or fall within the least-skilled group and are hired for the purpose of implementing the development process in the field of building and construction and the creation of residential cities. Exceptions to this may include the Japanese and Koreans, who could possess capabilities for administration, organization, and supervision.

Up until the last 10 years, the only Asian labor groups known in the Gulf region were the traditional Indian and Pakistani nationalities. However, employment organizations abroad introduced the region to new Asian labor groups such as those mentioned previously. Another observation in this connection is the growth of a new development in the employment of foreign labor, namely, the hiring of skilled workers from Asian states in large organized work groups to provide all the requirements of the project they are hired to construct, including labor, organization, and all other details of the project. This system has been used in al-Shu'aybah in Kuwait, in the dry dock of the Arab Shipbuilding and Repair Company in Bahrain, and in al-Jubayl in Saudi Arabia.

In this report, we will deal with the characteristics of the immigrant labor structure, the role of immigrant labor, and its impact on social conditions and demographic structure in the area. We will also look in some detail at the nature and structure of this labor group in two Gulf countries: the UAE and Bahrain. This is not to imply that these two states are unique in this phenomenon. Rather, they have been chosen to provide an indication of the general existence of the phenomenon, taking into account the differences in the numbers. The UAE was chosen in particular because of the preponderance of immigrant workers over the native population. This situation has made it obligatory to point to the UAE when a problem with labor is encountered, even at the international level.

The relative size of the foreign labor group differs from one Gulf state to another. While the UAE has a high percentage of Asian workers, states such as Iraq have a rather low percentage of this group.

According to official estimates for the last 2 years, there were a minimum of 120,000 foreign workers in the Sultanate of Oman. According to these estimates, foreign labor comprises nearly 80 percent of all workers in the Sultanate of Oman despite the fact that Oman's labor policy gives precedence to Arab labor. It may be seen that the foreign labor force--particularly labor from Asia--is increasing steadily in Oman. Official sources ascribe the predominance of Asian labor over Arab labor in the sultanate to its geographical position as the easternmost Arab country. It is closer to the Asian labor exporting states than it is to the Arab labor exporting states. The Arab nationalities represented among workers currently present in Oman are limited to Yemeni, Tunisian, Egyptian, Lebanese, and Jordanian.

In spite of this, the Sultanate of Oman has drawn up an ambitious 5-year plan covering 1980 to 1985, and this plan may require the importation of additional thousands of Asian workers. On the other hand, some Omani experts left their country in the 1950's and 1960's and the sultanate is imploring these experts at every available opportunity to return to their country to help in its reconstruction and lessen its dependence on foreign labor.

A key problem we encountered in trying to estimate the number of workers in Iraq was the lack of official data and statistics pertaining to this field. However, Iraq has initiated vigorous measures to promote the collective immigration of Arab labor into the country, especially workers from Egypt and Morocco. The number of Arab workers in Iraq has increased substantially in recent years. In addition, the strengthening of Iraq's bilateral relations with a number of socialist states in the

area and the signing of bilateral cooperation agreements has contributed to the influx of groups of experts from these states to participate in the reconstruction and development of Iraq, particularly in the industrial and agricultural fields.

Iraq is pursuing a wise policy in the field of agriculture and the hiring of agricultural manpower from the Arab homeland. Iraq began several years ago settling hundreds of thousands of Egyptian farming families in Iraq to farm remote areas of the country. It has recently started bringing in a number of Moroccan families for the same purpose.

Turning to the labor situation in Kuwait, we find a more optimistic picture compared to the other Gulf states. With regard to the presence of Arab workers, official estimates indicate that there were 49,705 new job opportunities available in Kuwait in 1979 and 16,934 Arab workers entered Kuwait during this year. The main nationalities among this group were Egyptian and Palestinian. This does not mean, however, that Kuwait is far from having any Asian workers. Sources in the Kuwaiti Ministry of Labor and Social Affairs have indicated that the demand for new labor is still inclined toward the Asian nationalities, which accounted for 55 percent of all work permits issued during 1980. The labor markets most in demand are those of India, Pakistan, Bangladesh, Korea, Iran, and Sri Lanka.

Kuwait has seen a rapid increase in the growth of Asian labor only in the last 4 or 5 years. One statistic indicates that there are 80,000 Asian workers in the al-Shu'aybah industrial area in Kuwait.

This situation is in strong contrast to the situation in 1975. Statistics for that year estimated the size of the labor force at 298,000 workers consisting of 29 percent domestic workers, 49 percent other Arab workers, and only 22 percent foreign workers, predominantly Asian nationals.

Statistics also indicate that citizens accounted for 60 percent of the commercial and economic activity while immigrant workers accounted for 40 percent. The annual statistical report for 1979 published by Kuwait's Ministry of Planning indicated that 17,666 work permits were issued to Arab nationalities according to the following breakdown: 10,851 to Egyptians, 1,516 to Lebanese, 472 to Palestinians, 2,326 to Jordanians, and 827 to all others. Some 28,203 work permits were issued to Asian nationals during the same year, according to the following breakdown: 4,677 to Pakistanis; 991 to Bengalis; 9,056 to Indians; 2,592 to Iranians; 9,871 to Koreans, Filipinos, and Japanese; and 1,138 to all other Asian nationals.

Sources in the Kuwaiti General Planning Administration indicated that the labor force represented 29 percent of the total population for 1980-81. Kuwaiti labor accounted for 29 percent of the labor force with 119,600 workers while non-Kuwaiti labor accounted for 71 percent of the labor force with 292,600 workers.

Kuwait's 1976-1980 development plan emphasized manpower and labor force development through intensive investment in education and training facilities. This included a reduction in the amount of importance and attention placed on specialized higher education.

Up until recently, conditions in Saudi Arabia were probably similar to conditions in Kuwait from the standpoint of the preponderance of Arab labor over foreign labor.

However, because of the ambitious economic plans it has drawn up for the coming years, Saudi Arabia will require large numbers of workers. For example, the labor requirements for the projects that will be established in the al-Jubayl area have been estimated at around 20,000 workers of various job classifications. Some experts have estimated Saudi Arabia's labor requirements for the next 2 years at around 2.5 million workers..

The second Saudi 5-year plan for 1975-1979 emphasizes the need for development of the labor force through the creation of vocational training programs in various fields.

The Saudi plan seeks to increase Saudi Arabia's labor force from 1.5 million in 1975 to 1.5 million in 1980 while the non-Saudi labor force is slated to increase from 300,000 to 800,000 workers.

Manpower statistics for the second development plan issued by the Ministry of Finance and National Economy indicated that the overall total for the Saudi labor force was 80 percent or 1.286 million workers in 1975 and 65 percent or 1.518 million workers in 1980. Non-Saudi workers accounted for 19 percent or 314,000 workers in 1975 and 34 percent or 812,000 workers in 1980. The increase in the percentage of immigrant labor over the period is evident.

The Saudi Ministry of Interior has issued directives aimed at curbing the growing number of foreigners. The directives ordered that the presence of productive foreign elements required by the country be restricted such that a worker's family members may not follow him except in cases of extreme necessity. The directives also called for regulation of the granting of residency to individuals coming into the country for pilgrimages, minor pilgrimages ['umrah], or visits. Saudi Arabia resorted to these directives after what was described as "great pressure" developed on the public services sector as a result of the growing numbers of immigrants and their family members.

Cases of illegal immigration have risen into the thousands in Saudi Arabia. The kingdom responded to this with an organized campaign led by the Ministry of Interior 2 years ago. This campaign included the deportation of more than 90,000 foreign workers who had entered the country illegally. Large percentages of these workers were Asian nationals and some were Arab nationals.

Social Effects of Immigrants

Kuwait AL-SIYASAH in Arabic 30 Sep 81 p 8

[Article: "Population Concentration of foreigners Makes Arabs Minority in Their Own Homeland; Multiplicity of Nationalities in the Region Causes State of Social and Cultural Conflict and Affects National Cohesiveness"]

[Text] The labor force of Qatar makes up an estimated 45 percent of the total population. Qatari citizens represent about 17 percent of the entire labor force and the remainder consists of non-Qataris.

According to unofficial estimates, Asian workers make up 65 percent of Qatar's total labor force. This percentage is increasing steadily because of the industrial projects that are being established in al-Dawhah. The country's requirements for Asian

labor through 1981 have been estimated at some 93,000 workers. With regard to foreign immigration into the state of Qatar, incoming workers accounted for more than 60 percent. However, the rate of participation of these immigrants in commercial and economic activity was 61 percent according to certain estimates. Although official statistics specifying the size of the Arab labor force in Qatar are lacking, the state hired about 12,000 Egyptian workers in 1974 in accordance with an agreement with the Egyptian Government. Egyptians probably predominate over members of other Arab labor groups in Qatar, who are particularly numerous in the services sector.

We find that Asian workers make up the largest share of the foreign labor force in Qatar, representing 75 percent of all foreign workers. Out of this 75 percent, 65 percent consists of Indians and Pakistanis and 10 percent consists of natives of Southeast Asia. This large percentage of foreigners includes workers in a variety of sectors such as building and construction, trade, public services, transportation, industry, and petroleum products. Around 80,000 Asian workers are employed in the al-Ruways industrial area in Abu Dhabi and some 78,000 Asian workers work in the Jabal 'Ali area in Dubai.

In contrast to these tremendous numbers of Asians, we find that Arab workers make up a relatively small percentage, although this percentage has begun to increase during the past 2 years. Committed individuals in the UAE have begun to call for increased reliance on Arab labor in order to stem the dangers of the Asians.

The existence of Asian labor in such numbers has had negative effects on both the economic and social levels. On the economic level, these effects include the siphoning off of a large portion of the state's revenues since the Asian workers invest their income within their own countries and the state bears the burden of housing, food, and services for 80 percent of the immigrants. On the social level these effects include the disruption of the values, traditions, and customs of society and the spread of crime, illegal gain, and fraud.

The UAE recently placed new conditions on the hiring of foreign workers in an attempt to limit their numbers. These provisions include a stipulation that foreign workers must possess the professional and academic qualifications required by the country and a stipulation that a foreign worker must have entered the country by legal means with a guarantee that his acceptance of a job opportunity will not lead to the unemployment of a citizen possessing the same qualifications or capable of performing the same job. These stipulations gave precedence in hiring to the citizen, then to individuals of Arab nationality, and finally to the foreigner if no citizen or Arab is available.

We also find that the UAE has adopted a series of preventive measures to regulate foreign immigration. These measures provide for the strengthening of the border guard and coast guard to control points of entry into the state, the appointment of labor attache's in the labor exporting states--particularly the Asian states--and the issuing of orders requiring workers who entered the country illegally to leave.

The state of Bahrain was perhaps the first to warn against the threat posed by the growth of the Asian labor force. Official statistics estimate that Asian labor makes up 60 percent of the entire labor force. Statistics of the Ministry of Labor and Social Affairs indicated that Bahraini labor makes up 27 percent of the labor

force and foreign labor makes up 73 percent. According to these statistics, two-thirds of the labor force consists of Indians and Pakistanis while Arabs make up only 3.5 percent.

Statistics on the size of the Indian and Pakistani labor force issued by the Ministry of Labor reveal the following facts: 57 percent of the workers in the services sector are Indians and Pakistanis, with 47 percent in the first category and 10 percent in the second; 29 percent of the workers in scientific professions are Indians and 6 percent are Pakistanis; 79 percent of the workers in the field of production and trades are Indians and Pakistanis, with 34 percent in the first category and 25 percent in the second.

The situation in Bahrain was much different 10 years ago. Statistics indicate that the relative size of the foreign labor force in 1971 was only 37 percent, with a total of 22,351 workers, while domestic labor made up 63 percent of the total labor force, with 37,950 workers. We note here that domestic labor played a prominent role by virtue of the fact that the country was then implementing medium-sized projects or small construction projects which allowed an opportunity for the domestic labor force --with the addition of some Gulf and Arab nationalities such as Omanis, Yemenis, Lebanese, and Egyptians--to predominate. Bahrain's situation appears more balanced from this standpoint since the statistics indicate that Bahrainis occupied only 10 percent of the clerical jobs.

Bahrain has recently become concerned with creating a vocational training system to undertake the preparation of domestic cadres to run the projects that are being implemented. The state recently established a Higher Council for Vocational Training which will be responsible for coordinating the training process and preparing Bahraini technicians in the projects, organizations, and companies operating in Bahrain. The state has also created a system called the Ten Thousand Trainees Project with the goal of creating a national vocational sector.

According to manpower statistics issued by Bahrain's Ministry of Labor, the ministry issued 200,948 work permits in the 1979-80 time period. Some 51,571 or 27.5 percent of these permits were issued to Bahrainis and 149,377 or 72.5 percent were issued to non-Bahrainis. The year 1978 heads the list in the number of permits issued with 41,626 or 24.5 percent followed by 1977 with 20.6 percent. The lowest year was 1972 when the number of permits issued declined to 7,373.

In November 1978, with the growing awareness of the threat posed by immigrant labor entering Bahrain; the Council of Ministers approved a plan submitted by the Ministry of Labor aimed at confronting the effects caused by immigration. The central objective of the plan is to replace foreign workers with native manpower on a gradual basis. This will apply to strategic jobs and will be accomplished in successive stages. The plan also called for all installations and companies to train at least 5 percent of their Bahraini workers annually to take the place of foreigners.

Khalifah Khalfan, the director of the Labor Department in the Ministry of Labor and Social Affairs, said recently that in the current and upcoming stages, Bahrain will need to continue importing trained manpower from abroad to meet the demands of the rapid pace of development in the country.

He said: "The native labor force consists of only 45,000 productive workers and this is not enough to confront the country's manpower needs at this stage, when the size of the imported foreign labor force is approximately 150,000 workers and technicians. In other words, Bahrain imports several times the number of workers in its own labor force."

The latest manpower survey issued by the Ministry of Labor, which included 3,173 of the establishments in the domestic sector, indicated that only 27 percent of the workers in this sector were Bahrainis. The remaining workers were foreigners. In numbers, there were 18,964 Bahrainis out of a total of 69,114 workers.

The building and construction sector attracts the largest number of the workers, who make up 42 percent of all workers in this sector. Next in importance is the trade, wholesaling, retailing, food, and hotels sector with 15 percent.

The General Census of Population and Housing conducted in Bahrain this year indicated that there were 242,596 Bahrainis as opposed to 116,261 immigrants. Thus, Bahrainis make up 67.6 percent of the total population while immigrants make up 32.4 percent. This is more than twice the percentage indicated by the previous population census taken in 1971.

We have now presented a detailed description of the composition of immigrant Asian labor in the Arab Gulf region and we have examined the size of the Asian labor force in the area states. Based on these facts, we are in a position to issue a message warning of the seriousness of the growth of this labor force, which in some states now predominates--in some cases by several times--over the native population, as we have seen in the UAE.

In the following report, we will identify the dangers of the foreign labor situation along with some of the appeals for earnest and sincere action to limit the size of the foreign labor force as articulated by specialists and officials in the area states. Perhaps the most important dangers posed by immigrant Asian labor are the following:

--The tremendous reliance on this manpower in the current numbers will contribute to a deepening of the phenomenon of demographic and cultural bifurcation. In the long or short term, these immigrants will create a problem because of the fact that they constitute a majority and this will affect the demographic make-up of each state.

Perhaps the greatest threat in this regard lies in the weakening of the Arabic element in the area states as a result of the transformation of the Arabs into a minority in their own country both with respect to population and with respect to their degree of control over economic activity.

The statistics presented thus far have dealt in some detail with the magnitude of this population advance. Estimates for the UAE for 1975 indicated a native population of 157,000 and an immigrant population of 411,000. Estimates for Saudi Arabia place the native population at between 4 million and 6 million. Of course, changes have taken place in these estimates from the time they were made until 1981. These immigrants have formed large communities which, as the years pass, are becoming a cohesive numerical force that is difficult to mobilize or influence.

In the economic sphere, large government financial allocations originally earmarked for services are going to these immigrants while native citizens receive very little of these allocations. Moreover, these workers are siphoning off the financial revenues of the Gulf states through the large remittances they sent to their countries. Certain estimates indicate that in 1977 alone these remittances amounted to nearly \$8.6 billion, not to mention the fact that the states of the area lost \$4 billion as a result of acts of fraud and deception committed by some foreign companies.

The dangers of the growth of the Asian labor force in the Gulf states in the social sphere should be evident. Such dangers include the spread of alien types of crimes and behavioural and moral deviations brought into the region by these incoming immigrants.

In addition, the problem of rising percentages of single men among the foreign workers is causing difficulties which are reflected in the social and economic behaviour of individuals and is creating a disruption in society due to the impact on many social customs and values.

Moreover, the multiplicity of nationalities in the region--there are 35 nationalities represented at present--with their different cultures, values, traditions, and religions is creating a state of social and cultural conflict and loss of homogeneity, unity, and cohesiveness. This in turn is affecting national unity and the sense of membership in the Arab nation. In addition, some of the poor nationalities such as the Indians and the Pakistanis tend to live in quarters which correspond to their standard of living and this leads to the spread of certain varieties of diseases and social ills such as severe deviance, crimes, stealing, and robbery. Moreover, under any circumstances, some individuals may resort to working in more than one job or specialty, which could deprive native citizens of livelihoods and earnings.

Solutions Proposed To Reduce Dependence On Asian Labor

All that we have said previously will perhaps illuminate the danger inherent in the growth of the Asian labor force. It is certain that the continuation of this growth at the present pace without serious practical labor policies at the Gulf level will expose the region to even more serious threats. At this point we will present solutions that have been proposed to decrease the degree of dependence on this labor.

--The coordination of the importation of Arab labor in accordance with a well researched plan among all the Gulf states, increased reliance on Arab labor, and action to replace foreign labor with Arab labor on a gradual basis. In this connection, statistics indicate that in the past 2 years, unemployment in one Arab country --Tunisia--was 14 percent. This means that nearly 1.5 million workers were without jobs, causing severe labor problems for Tunisia. At the same time, unemployment in Morocco stood at 11 percent. In this regard, appeals were made calling for the Arab homeland to rely on its own people in the field of labor before relying on foreigners. The means to achieve this may lie in the negotiation of bilateral or collective Arab agreements providing for the unconditional free movement of Arab manpower. Secondly, Arab investment companies could be established to enter into competition with other companies in the Gulf region. Such companies, which would rely almost

entirely on Arabs, would be entrusted with implementational operations for development projects in the region. Thirdly, an employment framework could be created at the Arab level through the creation of an executive structure in the form of an Arab employment organization which would endeavor to change the traditional situation characterized by a lack of efficiency in manpower relocation operations in the Arab states.

--Coordination among the Gulf states in labor fields. The Gulf states have similar social and labor conditions, which makes coordination and the achievement of cooperation among these states an easy matter. Such coordination could be achieved through the formulation of a unified labor policy among the area states and the achievement of integration among the projects and labor programs. This would stimulate thought about the establishment of centralized projects in one area state to serve the other states in the same region.

--The establishment of a specialized organization at the Gulf level to undertake the tasks of providing information, data, and statistics concerning the size of the labor force in the region and interpreting the related housing, social, and economic trends. The specification of the composition of the labor force according to nationality and the participation of specific groups in economic and construction activities in the area should facilitate the formulation of plans and solutions to confront any possibilities.

--The establishment of one or more organizations at the level of the Gulf states to plan and formulate policies related to development in general and labor policies in particular.

--The provision of greater opportunities for Gulf women to participate in the labor market. The extremely low level of participation of women in the job market is evident.

--Increased reliance on vocational education and greater numbers of schools and institutes specializing in vocational fields in order to make up for the deficiency in the preparation of vocational graduates in the region.

--Another solution which is related to security consists of the protection of the coasts, ports of entry, and borders of the area states against illegal immigrants. Statistics compiled by the ministries of interior of the area states reveal a tremendous rise in the numbers of illegal entrants into the area.

--Moreover, in order to deal with problems related to the interference of immigrant cultures and their impact on the area states, the states should draft legislation against individuals with different cultures and religions to limit their activities in the areas of preaching their religions and upsetting the social and cultural situation in the region.

Following this report, we can only conclude by issuing a new appeal to merge with all the old appeals urging an earnest awareness of the problem and the implementation of radical solutions and careful scientific planning in order to preserve the status and existence of the area and for the sake of progress and development and our national unity.

VARIOUS AFGHAN PEACE PLANS DISCUSSED

London 8 DAYS in English 28 Nov 81 p 28

[Article by John Stokes]

[Text] AFTER a great deal of self-generated publicity and fanfare, Iran has proposed its own Afghan peace plan, which calls for the country to be transformed into an Islamic republic modelled on Iran. It has suggested the replacement of Soviet troops by an Islamic peacekeeping force and an international meeting of Muslim clergymen, who would organise the setting-up of a provisional government. The Iranian deputy foreign minister, Mohammed Lavasani, who returned to Tehran recently from talks in Islamabad with Pakistani officials, said the Pakistanis welcomed the new plan. Privately, however, both Pakistani and western diplomats see it as too far-fetched, and impossible for the Soviet Union to agree to.

The Iranian plan is also at odds with the line taken by most other Muslim countries, who are backing the OIC initiative led by its secretary general, Habib Chatty.

The Afghanistan government was quick to condemn the Iranian plan last week, according to a report by the Soviet news agency Tass. An Afghanistan foreign ministry official was quoted as saying that the plan's political and religious concepts belonged to the past, and that: 'The so-called Iranian plan cannot be a basis for fruitful discussion, and is fully and categorically rejected by the democratic republic of Afghanistan.'

The European Economic Community's own peace plan — headed by Lord Carrington — met with a peremptory rebuttal from the Soviets only two months ago, when Carrington visited Moscow. The OIC plan failed to get off the ground because it could get no response from Iran, and the UN plan has withered for the same reason. Another important element is that no peace plan initiators want to start off by recognising the Karmal regime in Kabul. This obviously makes it impossible to reach any kind of agreement with Moscow.

The Soviets have also been rethinking their military strategy. A number of the most senior officers in the Afghan military are on a six-month training course in Moscow to learn counter-insurgency techniques. These include the controversial defence minister, Colonel Mohammed Rafi, who has been periodically tipped by outside experts as a likely alternative to Babrak Karmal; his deputy; the chief of army logistics; and the Afghan air force chief. Most recently they were joined in Moscow by Prime Minister Sultan Ali Kish-tmand, who dropped in on his way back from an official visit to Bulgaria. He is still there, allegedly for medical reasons, but western journalists report he has also joined the training course.

Clearly the Russians are now convinced

that they are in for a long haul and that better tactics are needed to coordinate the Afghan army and Soviet troops against the Mujaheddin. Jonathan Steele of the London newspaper the *Guardian*, who has just returned from Kabul, estimates that 5,000 Afghans are currently undergoing police, army and government courses in the Soviet Union. This long-haul strategy implies that the Russians are concentrating on building up a new generation of cadres and party workers under a secure capable leadership, rather than hoping to win immediate victories on the ground.

The guerrillas are now far more selective and imaginative about the targets they choose, and while the fighting has not intensified, skirmishes are now taking place much closer to Kabul. The guerrillas have set up a semi-permanent base in the Paghman hills just outside the capital. The Russians have periodically made a sweep through the hills and returned to Kabul, only to find the rebels have regained their old positions again.

Afghan guerrillas have also made their presence felt inside Kabul, most recently by rocket and hand grenade attack on the Microyan housing complex in the suburbs which houses hundreds of Soviet families and a special school for their children. Even though casualties were light, such attacks unnerve the already jumpy Russian population.

Inside Afghanistan the Internal Front, made up of fighting forces from the ethnic minorities, is gaining considerable success in keeping areas free of government and Soviet troops. The Hazaras, Tajiks and Nuristanis all have semi-independent regions where the guerrillas run the economic and social administration.

Meanwhile, the Kabul government has reported that there was a 36 per cent rise in the cost of consumer goods during the first half of 1981. The average Kabuli paid 50 per cent more in rent and 100 per cent more for lighting and heating. Food prices have risen by 30 per cent, even though another government report claims that the Afghan wheat crop this year reached an all-time high of 2.9m tonnes. The Soviet Union still takes just over 50 per cent of all Afghanistan's exports, and provides half Afghanistan's imports. Western diplomats have estimated the country's annual revenue at \$450m.

●The UN General Assembly last week adopted a resolution calling for the immediate withdrawal of Soviet troops from Afghanistan. The resolution, carried by 116 votes to 23 with 12 abstentions, reaffirmed the right of the Afghan people to determine their own form of government without outside interference. It was the third such UN call since the Soviet incursion.

CSO: 4600/155

NEW LIGHT CAST ON MAJOR AL-DANDARAWI LAND CASE

Cairo AL-AHRAM AL-IQTISADI in Arabic No 668, 2 Nov 81 pp 22-29

/Article: "The Other Side of the al-Dandarawi Case: Where Is the Truth? Who Owns the Land?"/

/Text/ The other side of the al-Dandarawi case continues to raise new observations and reveal conflicts among the numerous bodies trying to acquire a plot of land in the northern coastal area, now that it has become a region attracting investment. AL-AHRAM AL-IQTISADI has exposed one of these disputes in the Sidi Karir area, between the Egyptian Religious Endowments Authority and the 10 Ramadan Society: the authority rented out about 2,022 feddans to the Oil Services Development Project and the 10 Ramadan Society bought about 193 feddans from the heirs of Hamidah Khallaf on the same land.

As a result, the two parties entered into a confrontation, using all legal and non-legal means. Each party filed suits against the other, contesting its ownership of the land, and each party tried to obtain legal rulings confirming that the other party was not entitled to the land. /AL-AHRAM/ AL-IQTISADI, in its last issue, reviewed some of the chapters in this struggle and some parties' views. In this issue it is continuing this publication.

In other developments in the confrontation between the two parties, the 10 Ramadan Society filed a misdemeanor suit with the Sidi Karir misdemeanor court to imprison Mr Zaki Abu-al-Nasr, head of the Religious Endowment Authority, basing itself on the decree to eliminate the trespasses against the land that the authority had committed. The Religious Endowment Authority replied to this misdemeanor charge by stating that the 10 Ramadan Society had never owned this land; the authority filed a case with the Alexandria court of first instance to void the conveyance of the contract of sale to the 10 Ramadan Society by Hamidah Khallaf's heirs.

The authority also made a request before the Council of State that a review be made of the verdict the council issued in favor of the General Desert Lands Development Authority; this is a verdict on which the society based itself in claiming that the land did not belong to the Egyptian Religious Endowments Authority.

While the struggle between the two parties has various ramifications, and each party is trying to establish that the other is not entitled to this land, it

appears that the issue of the northern coast will grow in complexity now that the Ministry of Reconstruction's Desert Development Authority has intruded: it claims that it owns the land and is requesting that it be handed over to it, so that the Ministry of Reconstruction can carry out the program to reconstruct the northern coast and that a ministerial committee be formed to discuss this dispute before the dispute between the two government bodies becomes aggravated.

While AL-IQTISADI launched the exposure of this struggle over the northern coast in the presence of public opinion--a struggle which is assuming numerous legal methods of various ramifications, and other methods which are not legal, in order to establish the ownership of the territory--the situation requires a ministerial committee consisting of ministers, experts from the Ministry of Justice, and counsellors from the Council of State in order to resolve this legal dispute and declare a single fact, which is: Who owns this land--the Egyptian Religious Endowment Authority, the heirs of Hamidah Khallaf, or the Desert Redevelopment Authority?

The Religious Endowment Authority's View on the al-Dandarawi Case To the editor in chief of the magazine AL-AHRAM AL-IQTISADI:

We have read in your honorable magazine, in its issue of 28 September 1981, an article titled "The Other Side of the al-Dandarawi Case."

Since the Egyptian Religious Endowment Authority is concerned to put matters in their proper context, in light of its role as guardian of the properties of Moslems, and from the premise of its concern, at the same time, for citizens' property, the statement of the following facts will eliminate all the obscurity and error which appeared in the article published in the aforementioned issue.

First, under the title "Lost Rights," it was stated that the 10 Ramadan Society bought 250 feddans in the al-'Ajami area in 1975 from the heirs to the private religious endowment of Hamidah Khallaf.

The purchase contracts were registered and they were conveyed through two contracts numbered 1308 and 3463 for 1976. Our answer to this is that the authority, in its concern for the citizens' property, to keep it from falling prey to usurpers of state lands, warned all citizens in the pages of the newspapers, for example the newspapers AL-AHRAM and AL-AKHBAR of 11 August 1974, not to conduct transactions on the plots of land between kilometer 20 and the end of kilometer 47, on grounds that they were the property of the Sidi Karir benevolent religious endowment.

Nonetheless, the abovementioned society did conduct transactions with the heirs of Hamidah Khallaf, buying from them in the confines of the newly created plot of land between kilometer 23 and kilometer 24 an area of 193 feddans within the plot which the authority warned was not to be the subject of transactions.

As regards the conveyance of the two abovementioned contracts on the society's property deed, before the al-Dukhaylah authentication bureau in Alexandria, the Administrative Surveillance /Agency/ followed by the office of the administrative

public prosecutor, decided that there were numerous grievous violations in the violations in the registration of these two contracts, and this prompted the Religious Endowment Authority to file a case voiding these two conveyances before the judiciary.

The claim the society made that it owned the plot sold to it in 1975, around which a fence was erected, is not correct. The area from kilometer 22 to kilometer 26 on the Alexandria-Matruh /Road/ was under the usufruct of bedouins residing in the area up to 5 May 1976, when the bedouins relinquished their usufruct to the Oil Services Development Organization, which took possession of the area in the manner set down in administrative ledger eight of the al-'Amiriyah /personal/ states department, recording that the organization had the usufruct of all the plot from kilometer 22 to kilometer 26.

However, the society made an attempt to usurp some of that plot under the cover of military activities on 21 June 1976, putting barbed wire around a plot approximately half a kilometer in area and a sign stating that it was a military area and that it was forbidden to approach it, as set down in al-'Amiriyah administrative ledger 395.

The Ministry of War, through the military public prosecutor's office and the military police, removed the sign and the barbed wire on grounds that that was a civilian area and military activities had no connection with it.

The authority also executed the administrative decree to eliminate acts of trespass against this part of the plot, removing a brick wall that had been built by some bedouins consisting of blocks of stone 2 meters in width and half a meter high each, with spaces of 100 meters between each block. This all was built by the society in this usurped section.

It is established, by official papers, that the society had been informed of the Religious Endowment Authority's intention to carry out the administrative decree against it, since the society protested before the public prosecutor, who, regarding the society's protest, stated that the administrative body, as with execution of its decree, had to carry out the administrative decree eliminating these blocks of stone within the sight and hearing of representatives of the society.

The society tried by all legal and non-legal means to reacquire the plot that had previously been usurped and was the subject of the execution of the administrative decree. It found no recourse but to file case 176 for 1979 against the Religious Endowment Authority and the Governorate of Alexandria, demanding execution of its contract as issued by the heirs of Hamid'ah Khallaf and delivery of the plot sold to it in accordance with this contract. At the 8 November 1979 session, the al-'Attarin court ruled against its case.

The causes for the ruling, which became final, stated that this contract merely established a legal relationship between the society making the purchase and the sellers and did not include a commitment to deliver /property/. Therefore the court explicitly rejected the society's request for delivery of the plot.

The society tried to repeat its unsuccessful attempt and filed urgent civil case 3133 for 1977 (Alexandria) on regaining ownership against the Religious Endowment Authority and the Oil Service Development Organization, and a judgment was again made against it confirming these two verdicts by appeal.

Second, as was stated under the title "Violations of the Egyptian Religious Endowment Authority," concerning administrative decree 50 for 1977 issued by the chairman of the Egyptian Religious Endowment Authority eliminating acts of trespass against the Sidi Karir religious endowment lands and protecting them from all persons trying to usurp them:

The society alleged that "the Religious Endowment Authority's deed" was a phrase that appeared in the verdict in the words of the bedouins and an engineering report that appeared in the words of an expert. That allegation is patently false and was made in contradiction to the evidence contained in official papers, whose validity was confirmed by a factfinding committee formed in the People's Assembly in early 1976, in the first legislative period of the fifth ordinary meeting, the session of 30 May 1976, before which various old verdicts to which reference was made in the article were presented. One should bear in mind that these verdicts were not the focal point of the Religious Endowment Authority's ownership of the Sidi Karir Benevolent Endowment.

The 10 Ramadan Society is not allowed to adhere to the ruling of the general assembly of the Council of State because in reality the ruling is against it and not in its favor. On the one hand, it determined that that plot lay within the private property of the state while the 10 Ramadan Society had derived its claim to ownership from the heirs who were entitled to the private religious endowment of Hamidah Khallaf; on the other hand, the Supreme Constitutional Court, in its session of 17 January 1981 (case 12 for 1981), determined that the ruling of the general assembly of the Council of state was not a verdict, did not go beyond a mere opinion and could not be used as a justification for an order calling for judiciary provisions--an order for which the Religious Endowment Authority demanded that the Council of State review this ruling again, since the previous abovementioned ruling was based on erroneous legal documents and was in violation of the principles of Islamic law concerning the provisions of benevolent endowments, in accordance with the conclusions reached by the Department of Rulings in the noble al-Azhar.

It appears that it was absent from the society's mind that the Supreme Administrative Court verdict abrogating Decree 50 for 1977 proved, in the reasons it gave, that the court did not have the competence to discuss ownership or possession because that lay within the jurisdiction of the civilian judiciary alone, and that is one of the obvious points on which the society certainly agrees with us.

As regards the execution of this verdict, which calls for the abrogation of the decree without delivery of the property, the authority actually did execute it, abrogated the contested decree and offered the society a sum of 1,000 Egyptian pounds in compensation. Therefore the property or ownership it is demanding, based on the verdict of the Supreme Administrative Court, has no basis in law. Above and beyond that, and in confirmation of it, the civilian judiciary, as previously stated, rejected the society's demand that it be given the sales price and regain possession

of it, since the contract on that sale was made on the stipulation that the society making the purchase could not demand that the sellers hand the sales price back. There is no argument that the authority, by virtue of the fact that it is a government authority competent to administer and invest benevolent religious endowment properties in order to spread about the call to Islam, is deferring to the judiciary decrees, in exercising the sovereignty of the law and in submission to its authorities, and that in accordance with the constitution one of its first duties is to property of the state from usurpation by residents or people who fall prey to persons plundering this property, whether through ignorance or intentionally and by design. Therefore one cannot say that the authority is above the constitution of this country and its judiciary provisions. The authority observes the sanctity of the rights of the property of Moslems to such a degree that badly wanted the 10 Rama' Society not to get implicated, as it holds the funds of its officer members in trust, in the activity of plundering the state's property from the benevolent religious endowment, and gave warning and notice to everyone in the mobile /sic/ press. It would have been more fitting for the society, instead of putting its mistakes on the shoulder of the Religious Endowments Authority, to refer to the persons who sold it what they did not own and reclaim its members' money. Nothing provides better proof of the foregoing than the fact that the confines of the newly-created plot of land which the article said was part of the responsibility of the Hamidah Khallaf private religious endowment, and of which the portion registered for the society was sold, does in fact not lie within the territory of the private endowment, whose borders end at the end of kilometer 19, as regards the application of the legal argument on that private endowment. In spite of that, those confines of the newly-created plot of land lie within the lands of the Sidi Karir benevolent endowment, according to an examination at the site. Would that the gentleman delegated by the society had taken the trouble to ask specialists in the Religious Endowments Authority before buying it and not contented himself with a letter said to have been issued by the Religious Endowment Authority, whose forgery has been proved by Administrative Surveillance!

Third, as regards the discussion to which the article addressed itself on the authority's contract to rent out an area of 2,022 feddans to al-Dandarawi:

The fact of the matter is that the contract was issued not to the person of Fadl al-Dandarawi but to the Oil Services Development Organization, which presented itself to the authority on 11 August 1974, following the appearance of the authority's notice in the papers on renting out the plot making up the newly-created plot of land, which was bounded by kilometers 22 and 26 on the Alexandria-Matruh Road, in order to establish an oil refinery there. This was issued by the agreement of the General Investment Authority, the Ministry of Tourism, and the Atomic Energy Authority. On 31 January 1976 the General Investment and Free Zones Authority backed up the organization's demand to rent the plot of land to establish a project on it and on 15 May 1976 the organization presented the authority with a contract to buy from the bedouins the usufruct of the plot at issue and it presented an official copy of /personal/ states administrative ledger eight, al-'Amiriyah precinct, in which the organization's ownership of the entire plot was recorded.

On 26 December 1976 the organization presented the authority with Alexandria's agreement issued on 17 December 1976 to the establishment of the project on the

plot on an area of approximately 2,022 feddans, defined by the Technical Anti-Pollution Committee on whose formation a decree was issued by the governor and whose stipulation were agreed to by the utilities council in the governorate.

The Higher Ministry of Religious Endowments Land Appraisal Committee appraised the per-feddan rental value at US \$1,500, one thousand five hundred US dollars, per year, on the proviso that a review of the rent be made every 10 years and that the organization be given a grace period of 5 years at a token rent of US \$10 per feddan per year, which would rise to US \$100 on the sixth year and US \$200 for the seventh year, and provided that the top rent be due the first year the refinery went into production. The authority, in assessing the rental value for the years of the grace period, took into account the exorbitant sums which the renting organization would defray in preparing the plot so that it would be in keeping with the rental value, especially since the Higher State Land Pricing Committee had previously appraised the rental value in that plot at 200 pounds per feddan during the rental period.

The General Investment and Free Zones Authority issued Decree 175 for 1977, which was published in AL-WAQA'I' AL-MISRIYAH, Number 203 for 1977, considering the plot a special free zone for the establishment of a refinery. Finally, the committee composed of the committees of industry, religious endowments and local government of the People's Assembly discussed this project and its economic feasibility for the government alongside a study of the rental contract, and presented its report recommending that the project be constructed and that it was sound.

The society also failed to note that it had previously presented a complaint to the socialist public prosecutor containing the material stated in the published article and that after studying it he ordered that it be retained.

We stress that the Religious Endowment Authority will continue to be the honest guardian of the property of the philanthropic endowment, which is the property of almighty glorious God, that it will not refrain from taking all legal measures for the sake of preserving it, and that there is no other consideration in its mind except to adhere to the retention of God's property, in accordance with its responsibility.

/Signed/ Chairman of the cases of the Religious Endowment Authority, republican counsellor:

Yahya Ra'fat Basyuni.

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CSO: 4504/69

BUILDING SOCIETY REPLIES TO RELIGIOUS ENDOWMENT CHARGES

Cairo AL-AHRAM AL-IQTISADI in Arabic No 668, 2 Nov 81 pp 30, 31, 34

/Article: "The 10 Ramadan Society Continues Its Accusations: Illegal Measures by the Religious Endowment Authority"/

/Text/ Further Light on Violations by the Religious Endowment Authority

To complete the presentation of the evidence issued against what is called the Karir religious endowment made in issue 663 dated 28 September 1981, we present the motive causes and review the illegal acts that some employees in this authority are committing.

1. Law 124 for 1958 and Law 100 for 1964.

The general principle, according to the provisions of this law, is that desert lands lie within the special realm of the government.

Law 100 states the stipulation that desert lands are to be considered special property of the government and no natural or legal person may in any manner have usufruct of the real properties that lie within the special property of the government.

The same law regulates the method for determining the rights of ownership of desert lands. It stipulates specific cases in which the ownership is to be determined and regulates the means for presenting applications for such determinations by persons who have rights to this property and the means for rendering judgment on these applications.

However, where does the Religious Endowment Authority possess the documents which give proof of the establishment of the endowment and ownership present to the Desert Reconstruction Authority in order to provide a determination on this illusory religious endowment?

This is at the same time that the Desert Redevelopment Authority has determined the ownership of the Hamidah Khallaf private endowment, reference to which is made on the margin of its case, including the newly-created plot of land number 16. In addition, a determination was made on the conduct of all the heirs to it.

2. Application of the land reform laws to the Hamidah Khallaf Religious Endowment.

The General Land Reform Authority applied all the land reform laws to the heirs of the Hamidah Khallaf endowment, including the newly-established plot 16, which the Religious Endowment Authority claims is part of its alleged endowment.

The Land Reform Authority took over more than half the land in this endowment, and it became the property of the government.

It is strange that the Religious Endowment Authority is putting its hand on government land on the claim that that is part of an illusory religious endowment for which no official agency has determined that a basis exists. The chairman of the Land Reform Authority issued Decree 3 for 1980 adopting all legal measures against trespasses by the Egyptian Religious Endowment Authority on /Land/ Reform lands in al-'Ajami in order to regain possession of it.

3. The Religious Endowment Authority's contempt for final decrees!

A. The Supreme Administrative Court has issued a number of verdicts ruling that Decree 50 for 1977 issued by the chairman of the Religious Endowment Authority be abrogated, along with all the effects that have arisen from the execution of this decree. The first verdict was issued on 21 June 1980 on behalf of the society against all the following:

The minister of religious endowments, and the chairman of the Religious Endowments Authority, in his /responsible/ capacity, and the director of religious endowments for Alexandria.

The minister of the interior and the director of security of Alexandria (in his /responsible/ capacity).

The minister of justice and the director general of the Real Property Declaration Department, Alexandria (in his /responsible/ capacity).

The governor of Alexandria.

Mr Fadl al-Dandarawi.

B. The society, through the medium of the government judges, presented those against whom the verdict had been issued with an official copy of the ruling, eliminating the executive character as well as submitting copies to some of them in the course of numerous meetings aimed at preparing for the execution of the verdict, in particular with the governor of Alexandria and the security director of Alexandria.

C. The society expected that the Religious Endowment Authority and the Governorate of Alexandria would have the generosity to carry out the verdict, but its expectations became drawn out, to no avail. The former governor of Alexandria promised that the verdict would be carried out and demanded a preparation period so that it would be possible also to reclaim the government lands which the Religious Endowment

Authority had taken over. In spite of the conviction of the rights of the society on the part of all the officials in the governorate, the decree on execution of the verdict has not yet been issued; rather, instructions have been issued to form committee to choose another site for the al-Dandarawi project, and the local council decree was issued refusing to give agreement to the establishment of the project at this site because it was in conflict with tourist projects.

D. As the Governorate of Alexandria sought to find a solution to the problem, we find that the cause of it, the Religious Endowment Authority, was not moving but was still, as if the verdicts issued against it were mere ink on paper. This compelled the society to warn the chairman of the Religious Endowment Authority and the chairman of the office of religious endowments in Alexandria that it would lodge a direct misdemeanor charge against them.

Only at this point was a letter sent to the society's lawyer, on 4 March 1981, notifying him that Decree One for 1981 had been issued abrogating Decree 50 for 1977. This meant that the declaration of the ruling by the government judges was considered null and void--this is the way the Religious Endowment Authority acts. The society's lawyer asked the authority to provide him with a copy of this decree and procrastination occurred, compelling the society to file a direct misdemeanor charge against the chairman of the Religious Endowment Authority and the chairman of the religious endowment office in Alexandria. The Religious Endowment Authority presented its documents on the direct misdemeanor, in which the following tragedy manifested itself:

A. The chairman of the Religious Endowment Authority did not issue one administrative decree after receipt of the warning, but issued two:

B. The first decree: That was Decree 156 for 1980 dated 25 December 1980. In this decree, the chairman of the Religious Endowment Authority decided to abrogate Administrative Decree 50 for 1977 and consider it null and void, in executing the verdict of the administrative court issued on 21 June 1980, which stipulated that the Religious Endowment Authority in Alexandria was charged with paying compensation and costs due the 10 Ramadan Society.

It would have been necessary, had the Religious Endowment Authority actually executed the decree, for it to notify the society of this decree, but that did not happen and the decree was not read until after it had been placed in the case file. This confirms either that the authority issued the decree then hid it or that it did not issue it on the date carried on it but rather issued it upon receipt of the declaration of the direct misdemeanor, especially since it was dated at the end of 1980, that is, approximately 6 months after the issuance of the verdict.

C. The second decree: That was Decree One for 1981. In this strange decree, the true intentions of the chairman of the Religious Endowment Authority became apparent. Through this decree he abrogated his former decree, 150 for 1980, which called for the elimination of the Religious Endowment Authority's trespass and the continuation of conditions as they were, totally rejecting the verdict of the Higher Administrative Court.

What wounds one's spirit is the fact that we see eminent officials who possess a high level of understanding and education being egged on by the conduct of some irresponsible subordinates who have special interests along with the investor in keeping conditions the way they are, or some minor officials who have been transferred to retirement and whose genius did not manifest itself until they had gone into retirement and collected tales of usurped religious endowments in their greed for enormous compensations--which came to 50 percent of the value of the endowments. In the face of this, one cannot neglect the interests of the state or any authority or individual or forget what this group did to the former chairman of the authority, Mr al-Mughrabi, who formed it; it was they who brought him before the felony court.

4. The illegal measures the Religious Endowment Authority is carrying out.

A. Since the beginning of the conflict, the Religious Endowment Authority has worked without letup to advance false charges against others; it even considers official government agencies which do not carry out its instructions to be at fault, as if this authority had turned into an octopus trying to impose its dominance over everyone. Indeed, the authority chairman became so bold as to issue in his administrative decree instructions to the administrative agencies to violate the final provisions issued by the courts. It is strange that we find compliance with its orders in some of these agencies, at a time when the courts are emphasizing that this authority, in its condition, represents the overseers of the religious endowments, that is, that it is considered to consist of people who enjoy a special law.

In spite of its exploitation of its governmental character, in order to protect its actions which are in violation of the law, it must resort to the ordinary courts to solve its problems or acquire all the rights it has, just like any citizen.

B. Indeed, this authority has worked without letup to exploit the governmental character in an illegal manner, for instance by issuing copies of documents for whose issuance other government agencies are responsible, in order to protect its conduct, in violation of the law, for instance through the issuance of administrative decrees to eliminate trespass against properties for which it has no official or unofficial document confirming its claim of ownership.

C. Among the illegal measures which the Religious Endowment Authority has recently committed is the comedy it has tried to act out with regard to real estate taxes. We give thanks to God that this action has been discovered and that the deputy minister /for/ real estate taxes has issued his decree, which was published in the last issue of AL-JARIDAH.

D. One can summarize this comedy as follows:

In view of the fact that the authority lacks documents to prove its allegations, it has decided to resort to strange, devious conduct in proving that there is a religious endowment called Karir that extends from kilometers 19 to 47 on the Alexandria-Matruh Road.

1. The Religious Endowment Authority has presented an application to the real estate tax office in Alexandria requesting that a representative committee be

formed to apply the Karir endowment case secretly. Without the tax department's knowledge, the committee was formed from the Religious Endowment /Authority/ and the tax department. The authority, by devious means, managed to obtain the signature of officials to the effect that the Sidi Karir case had been applied to the land. It is a ridiculous matter that the persons who applied the Sidi Karir religious case to the land were a surveyor from the real estate tax /department/ and a retired Religious Endowment /Authority/ official of unknown qualifications, whose educational qualifications would not permit him to execute such a task.

2. When the society learned what the authority had done, it presented a complaint to the deputy minister of finance for real estate taxes, who issued his orders forming an investigating committee with the department members. The committee did actually make an investigation with the chairman and members of the department, and, through the investigation, proved the forgery which the committee had made in signing the case on the Karir religious endowment regarding other property belonging to the Hamidah Khallaf endowment. The committee abrogated the entire decree of the representative committee and all the measures derived from that, and the deputy minister approved these decrees.

3. However, that did not put an end to the Religious Endowment Authority's attempts. Through devious means, it managed to form a higher committee, to be called a higher committee which, in accordance with the decree forming it, had to discuss the documents of the Karir and Hamidah Khallaf endowments and apply them to the land.

However, the committee admitted that it had been influenced by the endowment members and, instead of studying the documents on the Karir endowment, confined its discussion to the documents on the Hamidah Khallaf endowment alone and did not address itself to its basic task, which was the Karir endowment.

It produced superficial recommendations which were of no value because it failed to study the two documents, and it did not examine any documents on the Karir endowment because it did not come upon any originals on such an endowment anywhere.

The real estate tax department decided, after it had discovered the fraud in the endowments, to retain that committee's report because none of the papers on the Hamidah Khallaf endowment had been blemished by any flaw. The sequence of ownership of the Hamidah Khallaf endowment has also been sound since the first survey lists which were made in 1879; the first operation of setting out land records in the history of Egypt was made in 1898. Its conclusions were set down in the survey registry and in the land budget and costs.

There is no value either to the argument in Islamic law on which the Religious Endowment Authority is basing itself, since the authority did not present it during the process of preparing the survey lists in 1879.

The tax department advised the Religious Endowment Authority to seek recourse within the judiciary in order to establish any rights it has; this was the sound method which the chairman of the Religious Endowment Authority ought to have followed, not the exploitation of powers of administrative abrogation: he has no ownership documents on which to base himself.

It is hoped that the magnificent scholar, the minister of religious endowments, will, after reading these facts, be so generous as to take the necessary measures with regard to holding the officials of the Religious Endowment Authority who have trespassed to account and will look with sympathy on the rights of his sons, the officers of the armed forces who are awaiting a wise decision from him.

11887

CSO: 4504/69

CONCEPT OF COMPREHENSIVE MOSQUES REVIEWED

Cairo MAYU in Arabic No 39, 2 Nov 81 p 9

/Article: "Dr Zakariya al-Barri: A Study on Carrying out the Concept of the Comprehensive Mosque"/

/Text/ Dr Zakariya al-Barri, minister of religious endowments, made a statement to MAYU in which he said that the draft of a law had been prepared making it a felony to trespass against the property of religious endowments.

He stated, "The debts religious endowments owe Agrarian Reform and local government come to 60 million pounds. Approvals have been made on that by the civilian bodies."

The minister said, "The ministry is now studying carrying out the notion of comprehensive mosques which will perform their services for the society lying in their area of influence. They will contain buildings for teaching trades, and tithe committees and will offer social assistance."

The minister of religious endowments requested that funds for the establishment of mosques in the governorates be supported. The number of mosques belonging to the Ministry of Religious Endowments comes to about 6,000, while the number of private mosques is about 40,000.

He said that in the context of upgrading the level of proselytizers, the ministry is printing books on the /Islamic/ legacy for distribution to imams and is setting forth plans to train them by which the imams will meet with senior men of the mission of Islam and senior Islamic thinkers to carry out a dialogue on Islamic concepts. These sessions will be prepared for the governorates.

He said that the Ministry of Religious Endowments' budget had been strengthened by the sum of 2 million pounds which has enabled the ministry to incorporate about 1,000 mosques in all the governorates. The mosques will be subsequently incorporated in a manner where each one will have a qualified proselytizer.

The minister said that the rules which have been observed in the incorporation of the religious endowment mosques are that the number of mosques in each governorate have been allocated in accordance with the ratio of its population to that of the inhabitants of the republic, except in the case of remote governorates.

11887

CSO: 4504/69

SCANDAL OF CONSTRUCTION DEFECTS IN SUEZ REVIEWED

Cairo AL-'UMMAL in Arabic 2 Nov 81 p 3

/Article by Muhammad Husayn 'Abd-al-Mun'im: "An Urgent Investigation Is Requested: In Suez There Are Houses of Sand!"/

/Text/ Suez is one of the cities that is coming back. More specifically, it is one of the cities that bore the sufferings of the June war and contributed a big share to the great October victory. Although its people were happy to do everything for the sake of the glory of Egypt and built it up again, in testimony to the struggle and victory, there have never been problems in their lives like those that still continue to torment their minds--how can all of them find suitable housing for themselves? Housing in Suez has become a tragedy and the subject of everyone's conversation. The homes resemble houses of sand!

There are houses that are in danger of collapsing before anyone lives in them. Balconies and facades in the new towns have been destroyed, and experts recently determined that a village that was built 5 years ago was not fit to live in!

The inhabitants have warned one another against going to the death that awaits them there. Hundreds of housing units were built as models to apply for a loan from the World Bank. Experts also determined that they contained technical flaws. They even forgot that a building to house firemen was for lodging and was built without foundations!

The story began when some officials observed deterioration in some balconies, facades and shops in the new sections. Attention was drawn to the dwellings newly erected when the marks of the tragedy started!

These are the facts, from the mouths of the officials themselves, the members of the local People's Assembly of Suez Governorate:

Ahmad 'Abd-al-Mun'im, assembly member, says "There is a tragedy in the dwellings in the village of 'Amir which was built and completed 5 years ago and was prepared to house inhabitants. Since that time, we have been hearing the experts' opinions, one expert after another. One of them gives an opinion which is unclear, another says that it is unfit, and the matter has ended with the inhabitants warning themselves not to live in them, since death awaits them, now that these have cost /thousands of/ pounds from the government treasury."

Husayn al-'Ashsh, council member, says that the problem of 'Amir village was repeated again, but in worse form, harming the Egyptian economy; 100 housing units were established north of Faysal City between the Technical Aid Office and the housing department in the governorate, costing 200,000 pounds, as models for an application for a loan from a bank, but after it was completed the experts' report said that it had technical flaws, and the loan was lost!

Muhammad Ahmad Ghazzali added a humorous side to the tragedy: it was decided to establish a building to house firemen in the city of Suez and after it was completed it became apparent that it had been built without foundations, reinforced footings or connections among them. Although the job of constructing the building was awarded to a contractor in 1977 at a cost of 8,502 pounds, on condition that it be completed in 3 months, the building was erected in 4 years' time at a cost of 10,064 pounds and it became obvious that it was unfit.

It would have been logical to face up to this farce which everyone is talking about. Ahmad Hilmi Badr, the governor of Suez, decided to hand the matter over to the office of public prosecutor and inform the Engineers' Union.

However, there is a question: in whose interests did all this take place? How did it happen? Buildings of adobe brick have survived for many long years in the Egyptian countryside while others made of iron collapse before anyone lives in them. What will happen after the investigation? Will it be decided to destroy the village of 'Amir and the dwelling, and, if that happens, how will it be possible to regain the lost money?

These are questions that perhaps vex the minds of people who took measures to threaten the lives of others through their neglect and greed. Is it reasonable for the people of Suez to persevere and for its name to be "the city that persevered," while its buildings collapse?

11887

CSO: 4504/69

SCANDAL OF VIOLATION OF WORKERS' RIGHTS IN TEXTILE FIRM EXPOSED

Cairo AL-'UMMAL in Arabic 2 Nov 81 p 2

/Article by Fathi 'Abd-al-Latif: "Strange Happenings in the Wooltex Company"/

/Text/ Strange happenings have taken place and are taking place in the Egyptian Wool Textile Company, "Wooltex," and they are raising many questions. Wrongful practices on the part of the company's management have reached the point of liquidation of productive units in the company and the dispersal of the workers in it. The management is also disbursing production incentives to managers while prohibiting their disbursement to production workers.

There are numerous serious practices that demand that government officials intervene to put an end to them because they threaten the company's economic identity.

'Urabi al-Hamuli, the vice chairman of the trade union committee in the company, says, "Since Eng Ahmad Sami al-Tuhami, the chairman of the board of the company, assumed the board chairmanship 5 years ago, he has been violating the rights the workers attained more than 25 years ago. In addition, in 1979, he liquidated the company's rug factory in which more than 700 male and female employees work, dispersing the workers by transferring them to the firm's various factories without showing attention to the job's need for them, and in addition they were removed from their places of residence. He turned the factory into a storehouse, whereas that factory had realized profits of a quarter of a million pounds a year, manufacturing caps and socks for men in the armed forces and the police.

In 1980 he liquidated the company's Banlon textile weaving plant in which more than 200 employees had been working, and he made the workers in that plant go through an experience similar to that their colleagues the workers in the rug factory had faced, as a result of which some of the workers in that plant left work in the company. They represented long-standing technical expertise which the company needed.

Sabir Muhammad Sabah, member of the union committee, adds that the company's board chairman issued a decree a few days ago that workers living in company-owned housing were not to ride cars and showed no concern for people who were ill with rheumatism or had heart trouble or women taking their children to the nursery for children of people working in the company. The company's board chairman also refused to have the people working in the productive sections of the company receive production bonuses while he disbursed bonuses to people working in the administrative and service sections, contrary to the stipulations of the bills and laws.

The company board chairman also abrogated the decree granting workers 10 minutes before the time their work ended so that they could get to the trains that they rode home. This decree had applied to employees since the company was established.

'Ali Ibrahim al-Ghurab, member of the union committee, says that 'Ahmad 'Abd-al-'Aziz Dawud, chief of the administrative sector of the company, refuses to have the company's management defray the costs of workers' operations. The company has a special medical treatment system which compels the company management to defray the expenses of treatment and operations in full, and he wonders where the workers will find the money to pay for their treatment.

'Urabi al-Hamuli adds that the company's union committee is suffering greatly from a lack of cooperation on the part of company management in solving the workers' problems and a lack of response to workers' demands by management, especially since these demands are not new but are rights that were acquired by the workers many years ago which the company management had committed itself to in the era of the company's former presidents.

In the face of this arbitrary conduct on the part of management, the union committee contacted Dr Fu'ad Muhyi-al-Din, the first deputy prime minister, Eng Taha Zaki, minister of industry, and 'Umar 'Abd-al-Akhir, governor of al-Qalyubiyah, to put a limit to the irresponsible conduct the company management has been committing against the company's workers, who number 9,000, and the company's economic identity.

11887

CSO: 4504/69

PROPOSALS FOR SOLVING 'AFGHAN PROBLEM' EXAMINED

Tehran ETTELA'AT in Persian 15 Nov 81 pp 1, 2

[Text] We have spoken before concerning the problem of Afghanistan and the struggles of the oppressed nation in that land against Soviet political and military domination. We analyzed the roots of the struggle, and the causes of the creation and growth of the aforementioned movement. We have given sufficiently detailed explanations about the complications of this struggle, its texture and composition, as well as the claims and justifications of the occupiers and the views of some of their stooges and supporters.

Now we wish only to mention a few points concerning Iran's plan, and basically express our understanding and interpretation of it. This is the core of the discussion, and even the marginal comments are connected with it.

Iran's plan to solve the Afghanistan problem contains bright, shining points and characteristics. First of all, the aforementioned plan has moved beyond the state of mere rhetoric and gives attention to issues of practical implementation. Up to now many states with various positions and affiliations have stated their views on this matter. However, most of them, in fact all of them, have delivered nothing more to the struggling and oppressed nation of Afghanistan than verbal rejection or support, a few slogans and an expression of opinion. Even Iran which had a clear, decisive and sincere position on this matter from the beginning, and announced it, nevertheless did not present any plan for implementation. Up to now we have seen no solution, proposal or plan other than this recent implemental plan.

Although the unconditional withdrawal of the Russian occupiers from the Islamic territory of Afghanistan and the acceptance of the right of the people to govern themselves and their political and social destiny are considered the most important and decisive principles contained in Iran's plan, and although they are the basis of the solutions, as they must be, yet in themselves and in general are nothing new. All governments and groups, whether independent, quasi-independent or even affiliated with the west (of course with their own particular motives, goals and positions), have expressed and are expressing exactly the same phrases.

Therefore the special importance of Iran's plan arises at this stage mostly from the text of practical solutions and paths of implementation included in it. Iran has taken the initiative to place the slogans, strategies, principles and

conditions, including the two important and linked principles mentioned above, into the channels of practical implementation. It is for this reason that the western and eastern worlds, despite the show they are putting on, claiming, for example, that they are indifferent to the plan and are ignoring it, and consider it unimportant and unsuitable for discussion and study!, are paying strict attention to it and are making their reckonings based on its implemental solutions. For the first time, the special significance of Iran's plan is linked to precisely this aspect. And if not, Iran's position in relation to the occupiers and the nation's right of sovereignty was explicit before.

The other extremely important aspect which doubles the import and soundness of the above-mentioned plan is in fact the import and soundness of the position and situation of its proposers. This aspect of the plan has disarmed mainly the easterners headed by the Soviet leaders. This is because they and their stooges always pound each plan on the basis of its proposer's position before even turning to its practical content. They have always said that concern about the issue of Afghanistan and the Soviet Union and talk about plans, solutions, withdrawal, expulsion and the like occurs solely for the purpose of keeping the issue of the United States and the genuineness and immediacy of its dangers hidden from the public's mind. This means in short that each plan and each proposer in this connection is American! However, this time the case differs from past cases from the word go. This time it is not Saudi Arabia which is offering a plan.

It is not Pakistan that is preparing a plan and taking the initiative in acting. It is also not the work of Egypt, Israel or the United States or some other satan. We are not talking about Bani-Sadr or the temporary government or some society or so and so, such that it could be said that the liberals, or as the gentlemen call them, the phonies, are pulling the strings.

This time it is Iran that is preparing a plan and presenting a solution. An Iran which is the heart of the Islamic revolution. An Iran which, as the leaders and members of its own camp admit, has taken aim against the heart and brain of the United States, and that can bring Reagan to power!

A label can be stuck on this country and this revolution except the label of being American! From another point of view, it is the wing of the Followers of the Imam's Line that laid the foundations for the aforementioned plan and announced it with such insight and decisiveness. Thus Iran's proposed plan, based on its country's and government's credibility, is a double-barreled anti-American plan.

This country, this revolution and this so-called dominant wing are this plan's formulators who have with utter strength and bravery now taken positions against the United States, the entire western imperialistic camp and the region's reactionaries, and who are officially warring with them. The aforementioned plan comes from those proposers against whom U.S. imperialism has mobilized all its aggressive forces in one belt. The foreign minister of Afghanistan's occupier was even compelled to admit that the entrance of the U.S. fleet into the Persian Gulf was not to threaten the Soviet Union but rather to apply pressure on Iran.

A country which is now really encircled by U.S. pincers can only cross and expand beyond those encircling, pincerlike borders by extending the borders of faith, Islam and the oppressed Moslem struggling masses. This country has presented a practical solution for the liberation of another nation from the domination of another superpower. This is the strong and bright point which has completely disarmed the Soviet Union and its allies.

9597

CSO: 4640/ 57

IRAN

CHIEF JUSTICE DISCUSSES SIGNIFICANT DOMESTIC ISSUES

Tehran ETTELA'AT in Persian 16 Nov 81 p 13

[Text] Issues such as the plan for government control of the official documents offices; the aggressions and threats by the United States; the change of names of the country's airports and streets; the conference of the countries of the Persian Gulf region; the coordination between the executive, legislative, and judicial branches; the eight-point plan of Prince Fahd; the training of judges; the activities of the seven-member committees; the revitalization of land and land distribution; the balancing of the salaries of employees; the implementation of Paragraph C; the High Judicial Council's treatment of economic stockpilers; the contradictions between the proclamations of the judges of revolutionary courts and the Justice Department; the eviction of tenants; the regulation to divide the work among the members of the Supreme Judicial Council, and the problem of justice and punishment were among the subjects discussed by Ayatollah Seyyed 'Abdolkarim Musavi-Ardebili, chief justice of the supreme court, in an exclusive interview with the correspondent of PARS NEWS AGENCY.

Theocratic Rule

Asked what he thought about the enforcement of theocratic rule, he said: As the imam said in his communique, sometimes, concerning some issues, opinions are expressed by the first rubrics, sometimes the second rubrics, sometimes no opinions are given, and, finally, sometimes the rule is enforced [as published].

The imam can, within special limitations, permit the enforcement of the rule as he sees appropriate. This is what it has been and nothing else.

The chief justice said, responding to the question of whether the Council of Guardians has the authority to study or reject those bills which the Majlis ratifies on the basis of the authority conferred on it by the imam: If the Council of Guardians believes that the rule cannot be imposed here, no. But if it decides that it has been correct or incorrect on the basis of the guidelines or on the

basis of the primary and secondary rubrics, it can make decisions. Responding to the question of whether all the existing courts throughout the country are without any fault and if they are faulty, whether it would not be better to close them, he said: You cannot say all have faults or all are without fault. Basically, nothing is 100 percent one way or another. But to close them would not be right either. Sometimes a flawed existence is better than non-existence and sometimes the existence of something imperfect is worse than not having it. If it is worse than not having it, that is, if it is better not to be, it must be closed. But if, in its faulty existence, it handles the affairs, even though it has shortcomings, those shortcomings must be eliminated.

Ayatollah Musavi-Ardebili added: Presently, there is no division of labor between the five members of the Supreme Judicial Council who have been selected; but, in the beginning stages, there was a division of labor. That early plan cannot be used today as a basis for a division of labor. The Supreme Judicial Council has the authority to determine the procedure for dividing work among its members.

The chief justice of the Supreme Judicial Council said: We have not previously had unsolved problems in the Justice Department and apparently we do not have any now.

The Commission for Pardons and Forgiveness

In response to the question of whether the commission for pardons and forgiveness of the Justice Department has the authority to investigate persons convicted by the revolutionary courts, he said: Yes, the imam has issued instructions. Of course, the commission investigates in a different manner. A list of those who have been pardoned by the revolutionary courts is sent to us; we make our decision and then send it to the imam for his decision. Of course, what some religious magistrates do in the provinces, freeing a number of prisoners on their own, is not right. Basically, prisoners must be freed through the commission for pardons.

Not Issuing Verdicts to Evict Tenants

In response to another question concerning not issuing verdicts to evict tenants, he said: This is within the jurisdiction of the Majlis. Of course, we have expressed our views to the Majlis.

The question was asked: Are execution verdicts approved and ratified by the Supreme Judicial Council before they are carried out?

The chief justice answered: No, and they should not be, since this is not one of the duties of the Supreme Judicial Council.

Contradictory Laws

In response to the question of whether contradictions are found in the work of the revolutionary courts and the Justice Department, he said: There is no contradiction in the work of judges, but there is some sort of contradiction in the laws. In the revolutionary courts, sometimes they act upon religious precepts. These precepts are not codified at times and are confronted with different problems and views. But, in the Justice Department, we act upon national, codified laws.

Change of Names

In response to the question of whether he agrees to changing the names of the airports and streets in the country to those of martyrs, he said: If the people do this, there is no problem, since they have the right to do so. But, if something is done by some group on their own and the combative people do not like it, why should it be done?

Government Control of Official Documents Offices

Concerning the plan for bringing official documents offices under government control, he said that this issue is being studied.

The Fahd Proposal

Concerning the proposal of Prince Fahd and the aggressions and threats of the United States, Ayatollah Musavi-Ardebili said: These American proposals sometimes come from their own mouths and sometimes from the mouths of their functionaries. They want to implement the American plan and we are opposed to the United States and any American proposal because it is to the detriment of the nations of the region. These proposals only protect their own interests.

Fighting the Stockpilars

In response to the question of how they would deal with stockpilars and price hikers who are detrimental to our magnificent revolution, Ayatollah Musavi-Ardebili said: The law concerning stockpilars and price hikers is being studied and the court to handle it will be the court for guild-related affairs. If we need legislative bills to fight price hikers, we will prepare them and send them to the Majlis.

The Activities of the Seven-Member Committees

In response to whether he is satisfied by the work of the seven-member committees for the revitalization of land and land distribution, the chief justice said: These committees have worked well in some places. But we have received complaints from other places that they have not worked well. We have sent inspectors to these regions.

But, concerning the implementation of Paragraph C: Paragraph C has, upon analysis, met with an uncertain fate. Some have agreed with it and some have opposed it. Some have said it is not right. Regardless of what Paragraph C is called, I speak of its content. If we have land in the hands of large landowners and we have the manpower waiting and it is not dead land or waste land that we have for them to cultivate, two things can be done: We can either leave the available manpower idle or employ them as hired hands, or, on the other hand, we can, once again, distribute the land justly among them so that they can work for themselves and reap the rewards of their own labor. If one has 10, 30, or 1,000 hectares of land, the other should have at least 3 [as published].

If we choose the first solution and have one, two, or three large landowners and use others as hired hands, we know that this situation cannot last and would result in disputes. In other words, there would be a constant conflict and this conflict might explode. We can see that it is impossible to keep them side by side. Is it not logical and our religious duty to solve the problem once and for all? If this is what is meant by Paragraph C, there is no religious problem. But if it is interpreted in some other way and if it has been poorly implemented, that is, if cultivated land is in the hands of one person while, at its side, we have idle land with resources, we can attract all the active forces there to work for themselves. One can work there for himself, cultivate as much as he can, and leave what he cannot do. If this is the case, the implementation of Paragraph C is not right. Would we not be mad not to cultivate the land which is available to us?

Adjustment of Salaries

In regard to the adjustment of salary scales, the chief justice said: In accordance with the law ratified by the Revolutionary Council, the highest salary is 200,000 rials per month, which, after taxes, would be 160,000 rials. The lowest salary is 25,000 rials, which is non-taxable and carries some benefits along with it, to the amount of 30,000 rials.

In my opinion, the less the difference, the better. The Revolutionary Council was able to reduce the differences between minimum and maximum salaries, which had been 10,000 and 700,000 rials. This is acceptable, but I do not like what was ratified by the Cabinet or the late martyr Raja'i, which made the maximum salary 70,000 rials, because 70,000 rials is barely sufficient for a family. I know that some of these ministers do not have houses. They pay 50,000 of the 70,000 rials in rent. How can they live on 20,000 rials?

In response to the question of whether there is coordination between the legislative, executive, and judicial branches, the chief justice

said: Coordination means that each does its job. And it is right that they be different.

Islamicization of the Justice Department

In response to the question of what difficulties they have faced in Islamicizing the Justice Department, devising Islamic laws, and implementing the laws of the Koran, the chief justice said: There is much discussion in this regard. However, one of our problems is that the honorable people think the more different places they go to the better the work will be done. For instance, they write a letter with 10 or 15 copies, whereas each case is to be investigated in one place. I would like the people to know that this action actually causes a slow down in their affairs. Therefore, people should take the specified channels.

The Operation of the Justice Department

If the authority deviates, complain about the way the deviation took place [as published]. Concerning the operation of the Justice Department, the chief justice said:

The implementation of the national investigation organization; the organization of the court of administrative justice; the office of the organization for research, investigation, and legislative bills; the creation of the Supreme Judicial Council; making public courts and arbitration courts a two-stage process; and the judicial police are among the fundamental concerns of the Supreme Judicial Council.

The chief justice said: To provide the needed personnel in the Justice Department with the judicial cadre, the judicial police, the administrative cadre of prison guards, and the reformatory and training center, we need trained, acceptable, ideologically loyal, committed, and faithful Muslim individuals who must go through the necessary training. For this purpose, the judicial branch will establish a college. This college will function under the supervision of the judicial branch and will provide the individuals needed for the Justice Department.

In response to the final question concerning the war, Chief Justice Ayatollah Seyyed 'Abdolkarim Musavi-Ardebili said:

The War Issue

Our brothers on the fronts are more hopeful than we are. We have set our hopes on God. Our progress on the war fronts is hopeful. The bravery and courage of the dear combatants of Islam in the military, the air force, the army, the navy, Havaniruz, the Islamic revolution guards corps, and the volunteers of the mobilization forces all-in-all show the great role of faith in human life. I hope with this high spirit and overflowing faith which exists in our combatants, we will soon drive the aggressor out of our homeland and achieve a decisive and glorious victory.

PLIGHT OF KHOMEYNI REGIME DELINEATED

London 8 DAYS in English 28 Nov 81 pp 20-21

[Interview with former Governor of Central Bank 'Ali Reza Nobari by Tim McGirk]

[Text]

BEING a central bank governor hardly seems a hazardous job: a few cut fingers from riffling through wads of banknotes, a little political flak as a result of borrowing too much from international moneylenders at exorbitant rates, would appear the main dangers to life and limb.

Or so you would imagine.

But Ali Reza Nobari, the former governor at Iran's Bank Markazi, has a different story to tell. A close aide to former President Abol Hassan Bani Sadr, he found himself imprisoned inside his own bank by the same government that appointed him. He later fled the bank and, under threat of death from Ayatollah Khomeini's Revolutionary Guards, spent three months underground in Tehran, constantly shifted from one 'safe house' to another by sympathisers until he was able to escape on foot across the frontier.

In an interview with *8 Days* in Paris, Nobari told how Ayatollah Khomeini himself — and not, as was previously thought to be the case, the fundamentalist politicians — engineered the collapse of Bani Sadr's government. In the clash for power between Bani Sadr and the hardline Islamic Republican Party in revolutionary Iran, said the ex-central bank governor: 'Mr Khomeini was not the impartial referee that he portrayed himself to be.'

'Towards the end,' said Nobari, 'Khomeini even bypassed the Majlis to attack Bani Sadr. When Khomeini's man (chief prosecutor) Lajervardi shut down all the

opposition newspapers, even the president's, the action was taken on Khomeini's instructions and without consent from either the interior minister or the Majlis house speaker.'

Islamic Revolution, the daily newspaper published by Bani Sadr and edited by Nobari, was closed by the chief prosecutor's office on 8 June. It was not Nobari's first brush with the chief prosecutor: previously, Lajervardi had arrested the central bank governor when Nobari criticised the Revolutionary Guards for publicly flogging black marketeers in Tehran's bustling bazaar, the largest and most labyrinthine of its kind in the Middle East. 'Whipping speculators is no way to stop inflation,' Nobari complained on Iran television. Shortly afterwards, the chief prosecutor ordered his arrest, and Nobari's release was only secured by Bani Sadr's intervention.

On 8 June, Lajervardi also ordered armed Revolutionary Guards to surround the central bank, scattering the pavement moneylenders on Ferdowsi Avenue. But when Lajervardi's men tried to enter the huge white edifice, Nobari ordered the bank's own security men to bolt all the doors. A standoff between the two security forces then ensued for over a week, with the Revolutionary Guards frisking all the bank employees, even governor Nobari, as they entered and left the building.

Matters were far worse for President Bani Sadr. Stripped of his authority as commander in chief of the armed forces by

Khomeini on 10 June, Bani Sadr returned to Tehran from the war zone in Khuzestan province and installed himself in the presidential office as though he were under siege. And in fact he was, claimed Nobari. Several bombs were hurled into the president's building, on a shady lane off Ferdowsi Avenue. These were reportedly the work of Revolutionary Guards and the Hesbollahi, a club-wielding gang of zealots recruited from the slums of south Tehran.

'Iran was in the final stages of a coup d'etat. We were unable to prevent it,' Nobari told *8 Days*. On 15 June, he and the president slipped into hiding. Bani Sadr was sheltered by the Mujaheddin guerrillas, who also arranged for his escape to France on 29 July aboard a hijacked military Boeing 707, but Nobari was left to his own devices. For three months he eluded the revolutionary authorities, and even managed to publish three issues of *Islamic Revolution* on a clandestine press.

'After a while, there was no place left to hide,' claimed the ex-central bank governor. Nobari refused to give any details of his escape other than: 'I had to walk a long, long time to cross the frontier.' He also said that it was not the Mujaheddin guerrillas who helped him, but rather sympathisers of Bani Sadr who had infiltrated the paramilitary Revolutionary Guard command and the Komiteh police. Both the vigilante Komiteh police force and the Revolutionary Guards were considered bastions of Khomeini support.

Nobari surfaced in Paris five weeks ago, and since then has sharply criticised the current Iranian government's economic policies. Oil exports, said Nobari, have slumped from a pre-revolutionary high of 4.5m barrels a day down to about 500,000 b/d. 'That will bring in no more than \$7-8bn this year, about half of what Iran needs to cover its import bill for essential goods, never mind the war,' he told *8 Days*. Iran's foreign currency reserves have also dipped down from about \$18bn in September 1980, when war with Iraq broke out, to a current level of \$2bn.

In London, some metal dealers believe that Iran has already started selling gold. 'It's certainly not a good time for the Iranians to be offloading. The Russians are selling and so are the South African producers. If Iran starts dumping, gold prices can only go down,' one trader asserted.

A European-based Iranian commercial banker agreed with Nobari's grim assessment of the economy. 'The situation in Iran worsens every day,' said the banker, who asked not to be identified. 'But it doesn't mean that the country will collapse in 24 hours. Three or four months will pass before the currency shortages work through the Iranian economy.'

Nobari's replacement at the central bank,

Oil exports will bring in no more than \$7-8bn this year, about half of what Iran needs to cover its import bill for essential goods, never mind the war. The situation worsens every day, but it doesn't mean that the country will collapse in 24 hours

Dr. Mohsen Nurbak, is trying to stem the outflow of valuable foreign cash. Virtually all letters of credit, save for food and medicine imports, have been stopped. Instead, Iran is exchanging oil for goods from Eastern bloc countries and India on a barter basis, but still not enough imports are arriving: according to Nobari, Iranians must queue for hours to obtain such rationed staple goods as cooking oil and rice.

Inflation, he claimed, was running over 35 per cent, gross national product growth was below zero, and petroleum sales, the country's main foreign currency earner, were unlikely to rise while the world oil glut persists. 'Iran must sell at least 1.5m b/d to earn the necessary money, but there are no takers in sight,' claimed Nobari.

The tight credit squeeze and the political turmoil inside Iran, predicted Nobari, may lead to a wave of strikes and demonstrations this winter, which could be capable of sweeping the current Islamic government from power.

U.S. TRIES TO RETRIEVE IN SAUDI ARABIA 'WHAT IT LOST IN IRAN'

Tehran ETTELA'AT in Persian 15 Nov 81 pp 16, 13

[Text] Developments in the region must be criticized and examined from the viewpoint of Iran's Islamic revolution because Iran's revolution, as a qualitative transformation in the region, has shattered many standards. For example, if the preservation of Israel's military and technological superiority is one of the United States' goals, Iran's Islamic revolution was not only able to eliminate one of Israel's strong supporters in the region, but also to change Iran at the same time into the most radical enemy of the Zionist regime and world imperialism. To support this statement, it suffices merely to state that Yassar Arafat said in one of his Tehran speeches that after the revolution's victory in Iran, Menachem Begin in the Israeli parliament said: Now the epoch of night and darkness has overtaken Israel. (It should not be left unsaid that it seems as if Arafat intends by his recent positions on regional developments to once again return light to the regime occupying Jerusalem).

From another point of view, the strategic importance of the Persian Gulf and Iran's long border with the throat of world capitalism has caused the Iranian Islamic revolution to clearly put the strategic interests of the United States in real danger of destruction. For this very reason the tip of the arrow of world imperialism's policy is being guided towards the destruction of this revolution by any route possible.

Since Saudi Arabia was one of the most vital petroleum regions for the United States, and furthermore because of its contiguity with the Persian Gulf, the United States was determined to reconstruct in Saudi Arabia what it had lost in Iran. In this fashion Saudi Arabia became a candidate for the exercise of U.S. diplomacy in the Persian Gulf region, so that the United States' unconditional and unrestricted dominance in the Persian Gulf would be secured. However, since the United States had understood that support of puppet regimes by political means was no longer effective, and that it would not be able to prevent the growth, expansion and even victory of liberating revolutions, the resort to a military solution of the situation, and a policy of oppression and direct occupation was placed at the head of the U.S. programs. It was in justification of this policy that Jimmy Carter, former U.S. president, announced on 23 January 1980, after the fall of the Shah's regime in Iran and the Soviet aggression on Afghanistan: "Any kind of attempt by a foreign power towards gaining control of the Persian Gulf region is declared to be open aggression on vital U.S. interests, and such an attack will be answered by any means possible, including military force."

The first U.S. action to implement this diplomacy was organizing the Rapid Deployment Force. These troops, who are from the most elite of the U.S. special forces, were organized in order to intervene quickly to protect vital U.S. interests.

In this regard, Casper Weinberger, U.S. secretary of defense, says: Protection of U.S. interests in the Persian Gulf region will bring about the creation of newer and more powerful forces which will have a faster transport capability. He also says: We must prepare ourselves for every kind of war in the region and in every place in the world that we have vital interests.

Thus the United States has entered a new era of political and military life, and has set about arming regimes affiliated with it as quickly as possible, and has prepared a series of actions in order to justify its future operations to world opinion. The imposition of the Iraq war on Iran, and the aid of materiel and weapons to Iraq from Saudi Arabia, Egypt and Jordan was a good pretext to justify "the crisis in the Persian Gulf." On the one hand the war made the pretense that Iran's!! expansionism was a danger to the "arab world," and additionally gave the United States the opportunity to begin military actions in order to protect the oil resources. It was thus that the AWACS entered Saudi Arabia for the so-called support and preservation of Saudi Arabia's oil facilities. It does not need to be said that this action, in light of the enormous and impressive range of the AWACS, was one of the manifest aims of the U.S. military presence in the Persian Gulf. It is interesting that when the AWACS were transferred into the Persian Gulf vicinity, the U.S. plan for the occupation of Iran's oil regions in a few days by means of Iraq's open aggression met with defeat. Later developments show that the mission of the AWACS is other than what Saudi Arabia claims it is, since as was pointed out the AWACS took no action whatsoever during the course of the bombing of the Iraqi atomic facilities. They conveniently ignored the flights of Israeli fighters over Saudi Arabian soil and their penetration of Iraq's territory. Even if this matter were not true and the destruction of Iraq's atomic facilities had taken place some other way, one cannot ignore the existence of Israeli reconnaissance flights over Saudi Arabian soil. This is because just a few days ago, after the latest aggression by the Zionist regime on Saudi Arabian soil and Saudi Arabia's protest (and perhaps confrontation!!) over this action, U.S. authorities admitted that Israeli planes have been making reconnaissance flights over Saudi Arabia for years. (It should not remain unsaid that Israel's recent aggression and Saudi Arabia's huss and fuss could be a joint plan of the United States and Saudi Arabia in order to legitimize the Saudi regime. Saudi Arabia and the United States wished to put the Fahd plan in place through this display of playthings, and to expound Saudi Arabia throughout the world as an enemy of Israel and as a country that is still exposed to Israel's attacks).

In this regard Harold Tryon had written earlier that Israeli warplanes fly over important Saudi Arabian bases and so far have encountered no annoyance whatsoever from the Saudis.

In any case, one of the United States' paths to domination of the Persian Gulf region is the extensive arming of Saudi Arabia. In this regard, the German publication BILD, quoting high governmental sources, writes that West Germany, in the framework of NATO's efforts for the greatest possible armament of Saudi Arabia, will sell weapons to this country. This publication adds that West Germany

will deliver to Saudi Arabia the sale of over 1,000 Leopard-25 tanks, and Tornado anti-tank and anti-aircraft missiles, which are built with English and Italian cooperation. From another angle, the press affiliated with imperialism writes that the United States intends to equip Saudi Arabia with an air-to-ground IsicI defense system to confront "any sort of probable aggression." General Haig, to justify the sale of 62 F-15 fighter planes says: These planes will aid Saudi Arabia in any face-off with a foreign threat. This is a threat that, in the United States' belief, can come from Iran, Ethiopia or South Yemen. However, who does not know that all these programs for the expansion of the U.S. military presence in the Persian Gulf are taking place in order to crush Islamic liberation movements? Because General Haig, the proposer of the U.S. military policies in the Persian Gulf, explicitly announced on 17 September 1981 in his speech before the Congress for the AWACS sale that: This deal (the AWACS sale) has a vital aspect for peace in the Middle East, and not only will it not harm Israel, but it will instead be a help to that country. Casper Weinberger, U.S. secretary of defense, announces that the plan for domination of the Persian Gulf is for the military defense of the capitalist world's oil resources in the Middle East.

Saudi Arabia possesses such strategic importance for the United States that General Haig admits that the United States will use any means necessary to prevent Saudi Arabia from suffering the fate of Iran.

Reagan, the U.S. president, reasoning that it is not possible to exercise foreign policy through legislation, states that the interference of the Congress in the AWACS deal could damage the process of peace in the Middle East and obstruct U.S. diplomatic efforts. He furthermore says that in case of such opposition, his decision-making and responsibility will be called into question by the arab countries of the Middle East.

Brief attention to this speech of Reagan shows that he threatens Congress that if this deal does not take place, U.S. credibility in the eyes of servile arab regimes will be destroyed.

Furthermore, it is due to the implementation of the policy of direct oppression that the Al-Sa'ud puppet regime butchered the uprising of Moslems in the Kaaba during November 1979 in order to show its masters that it is obedient to its orders.

Egypt and Sudan, Tunisia, Morocco and Oman are similar tales which we will speak about in the future, God willing.

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CSO: 4640/59

IRAN

MEASURES TAKEN TO WIN LOYALTY OF MILLIONS OF TRIBESMEN

Tehran KEYHAN in Persian 29 Nov 81 p 5

[Text] The seasonal migration of tribes and the constant move of migrants between winter and summer regions have been going on for many years. Although tribal life has changed since the beginning of the 20th century, and some of the tribes live in cities and some in villages, engaging in agriculture in addition to animal husbandry, groups of them have continued to migrate and move from pasture to pasture. During the past years, lack of knowledge of correct planning in the tribal locations has created fundamental lodging difficulties. Lack of sufficient understanding of their living conditions, psychology, and culture has resulted in nothing but disturbances and chaos in the lives of the migrants and has changed them from producers to consumers, escalating their suffering and deprivation.

In the previous issue, we dealt with the question of tribes and the implemented policies concerning them in the past. We spoke of some of the pain, suffering, and deprivation of the tribes as well as the discrimination they have endured for long years because they have been strangers in the society and have not been understood. Tribal anthropologists, experts and authorities, who have created the tribal center upon finding such shortcomings, all emphasize the necessity of implementing long-term plans as well as a clear policy towards the tribes. In order to better understand the problem, we will review the political, economic, and cultural plans for tribes of the previous regime and review the history of the implementation of these plans with their various confusing names. Here, we must add that in order to become familiar with the way the center for Iranian tribes was formed, the plans and programs which have been or will be planned for them, the neutralization of those plans that previously drove the migrants to the outskirts of the cities and destroyed their economic base, and the difficulties in implementing

rural and tribal services, we spoke with the authorities. Tribes make up a total of 5 million of the nation's population. They are scattered in the provinces of Kohkiluyeh, Boyer Ahmad, Kerman, Khorasan, Sistan, Baluchestan, Mazandaran, Ilam, Chahar Mahall and Bakhtiari, Fars, Lorestan, and Kermanshahan. The plans for them in the course of the past years have all led towards the destruction of their tribal way of life and the disruption of their independent economy and culture.

Center for Iranian Tribes

Therefore, we spoke with the members of the central council of Iranian tribes concerning the history of the establishment of the center for Iranian tribes, which began its work about five months ago.

One of the members said: "During the period 21 Mar 64-20 Mar 65, a plan known as the plan for the "Lor" and "Nafar" tribes was presented to the Ministry of Development and Housing. The following year, too, a plan for digging deep wells for the tribes was drafted. In the same year, a plan for the settlement of the tribes was, for the first time, prepared in the village of Khansar, Mamasani. Then, in early fall of 1966, three projects for combining the tribes under the plan for tribal development were prepared. During the following year, the central office for the development of tribal regions was established. Some groups were sent to several provinces to create access roads, elementary schools, wells, feed storages, and veterenary services. This office was transformed to the organization of national forests and pastures from 21 Mar 72-20 Mar 73 and was renamed the office of mobile livestock keepers.

"From 21 Mar 75-20 Mar 78, funds were allocated from the plan for the creation of wells and watering tanks to establish centers for tribal services, but they went unused. The following year, the organization no longer had funds for use on a national scale since other plans, under the heading of the social and economic welfare of the tribes, were devised in the provinces. After the revolution, the Revolution Council allocated 15 billion rials for the development of tribal regions; but, since there was no clear planning, this fund was not spent and was divided between 7 provinces due to shortages. This past year, an additional fund was allocated and on 19 Jul, the center for Iranian tribes was created and began its activities."

Hoseyn Motovalian, the supervisor of the Iranian center for tribal services, concerning cultural, cooperative, and developmental planning for the tribes, said: "The plan of this center, in the tribal cooperative section, is to establish funds for interest-free loans within the various tribal branches and for the Islamic societies to supervise these funds. In the developmental section, building tribal access roads to facilitate bringing services to them, providing

facilities to bring tribal products to the market for sale, building bridges to reduce the number of human and livestock casualties during the migration season, building supplementary feed storages, creating watering tanks for livestock, digging deep and semi-deep wells for producing feed, building earthen and concrete dams and dikes for storing drinking water and water for irrigation, and building portable and non-portable bath houses are among the responsibilities of this center.

"In addition to cultural, educational, and propaganda duties, providing tribal education, human and livestock health services, and veterenary services are among our other programs."

Encouraging Handicrafts

About how the tribal handicraft industry can be encouraged and how their products can be put on the market, the supervisor of the center for Iranian tribes said: "Among our programs are: creating mobile and premanent storages for raw materials in conjunction with providing the necessities and primary materials for the handicraft industry of the tribes, creating exhibitions of handicrafts made by them in order to find a market for them, training and sending experts to tribal regions, providing technical training and raising their level of awareness regarding the handicraft industry, developing and improving dairy products, improving quality in terms of packaging and preservation, and, finally, preparing their handicrafts for sale and encouraging them in this industry."

Concerning plans to improve the condition of pastures and provide feed, he said:

"In regards to the pastures, research is being done in terms of collecting data, determining the size of existing pastures, classifying them, understanding pasture vegetation, and improving the seeding of pastures, in cooperation with the research institute for national forests and pastures. Also, solving the problem of the ownership of pastures and studying the surface and underground water supply are among the research plans for pastures. Other areas of concern include the allotment of pastures with regard to the political and social make up of every region in coordination with the related organizations, the revitalization of pastures, the creation of land for planting irrigational and dry farm feed to make up the feed shortages, the development and training as well as creation of demonstration pastures during various seasons to encourage the tribes, in cooperation with the organization of national forests and pastures.

"One of the programs that concerns tribal services is the creation of centers for rural, agricultural, and tribal services, which the Ministry of Agriculture and the construction crusade are working on.

However, since rural and tribal lifestyles differ, more issues should be considered in connection with the tribes."

Centers for Rural and Tribal Services

The member of the executive council of the center for Iranian tribes, concerning centers for rural, agricultural, and tribal services and the difficulties which the Ministry of Agriculture faces in regards to the tribes, said: "The charters, according to which the Ministry of Agriculture must offer rural agricultural and tribal services, did not accurately anticipate tribal problems and difficulties, given their particular way of life. Even those which were not vague in theory could not be implemented, given the structure of tribal life. According to this plan, tribal services are provided in the heart of service centers. However, because of the differences between a rural lifestyle, which is agricultural, and a tribal lifestyle, which involves animal husbandry, we cannot, on the basis of this charter, establish tribal service centers, since bringing services to tribes is quite different from bringing them to villages. The villager needs such things as tractors, seed, and fertilizer; but the tribes need pastures and livestock. On the whole, the tribal make up is particularly spread out and, at times, their migration takes place across several provinces."

In this connection, he added: "The authorities of the Ministry of Agriculture realized this issue last month. Based on the minutes of the meeting, prepared by the council of deputy ministers, the boundaries between the centers for tribal services and centers for rural services were more clearly drawn. The plan creating the centers for rural and tribal services which, in accordance with the ratified bill, is to be supervised by the construction crusade deals, in a section on the tribes, with issues which are not of major importance to the villagers. In a seminar held by the construction crusade of Azarkian with the tribal crusade of Fars Province, the impracticality of implementing a single set of rural plans in the tribal crusade, the differences between rural and tribal lifestyles, the shortcomings of the organization of mobile animal husbandry, and tribal education were discussed. It was pointed out that in the previous regime, more than 60 percent of productive tribes were transformed from mobile to semi-mobile, which resulted in most of these tribes changing to a great extent from producers to consumers.

"The previous regime, in addition to disrupting the tribal economy, insisted on propagating its own culture among them through specific programs."

The cultural supervisor of the central council of Iranian tribes described the educational situation of the tribes before the revolution as follows: "In villages, the teaching of reading and writing was, from old times, handled by school masters. But in the tribes,

because of their particular situation, not even this type of education existed. After the establishment of the central office of tribal education, school masters were used. But the tragedy began with tribal teacher-training, when local literate people were brought to the teacher-training schools to learn new educational techniques. While learning the urban misteachings, they were gradually losing touch with their tribal heritage. The spirit of love for the shah was being propagated among them. In the tribal schools, religious books, the Koran, and art were not taught. Most of the tribal teachers were also encouraged towards irreligion. The goal of tribal education was to interest the tribesmen in positions and jobs, no matter how menial.

"Those in charge of tribal education chose the educational advisors from among the teachers on the basis of their local influence, dependence, and obedience to the establishment. The educational advisors discriminated among the teachers and, therefore, some of the teachers were transferred from the villages and tribes to the cities. Also, in selecting students to be sent to high schools, they discriminated greatly. With so-called examinations, the children of governors-general, SAVAK agents, city governors, etc. entered the tribal boarding schools centered in Shiraz. They were cleverly planning to train loyal individuals. American spies worked in these schools as international Peace Corps volunteers and perhaps for this reason, most of these students, when they entered universities, joined leftist groups." Concerning other misguided educational training, he said: "Every year, a certain budget was allocated for camps which were purely for show and entertainment, where the propaganda films of the regime were shown. All the programs of tribal education consisted of teaching without education." Concerning the ways to make up these shortcomings, the cultural supervisor of the center for Iranian tribes said:

"To reform the teachers and create a cultural revolution, we must first retrain and reform the already employed teachers. To do this, we must make use of summer and new year holidays. Also, the center for tribal teacher training and the tribal high school must be purged of incompetent and irreligious individuals and sympathetic and experienced teachers must be used. The educational advisors should also be replaced with committed individuals who can take the Islamic revolution, like prophets, to the farthest tribal areas." On this subject, he also explained: "The office of tribal education must be purged of Westernized and ignorant SAVAK agents. Steps must be taken to see that a competent, decisive, and revolutionary director-general is appointed. Otherwise, this center will expand more corruptly and will be harmful to the revolution.

The Mobilization of Tribal Warriors

It is appropriate after our examination of tribal issues that we point out their human spirits, their bravery, and their manlihood throughout history. The brave tribesmen, as was stated, were one of the forces that every government in the past centuries tried to use politically. They sometimes armed one tribe against another; sometimes they forced them to settle down or to migrate. But, throughout history, they have made every effort to carry out their mission to protect and preserve the borders. The establishment of the unit of tribal mobilization during the imposed war with Iraq and the extent of their struggle demonstrate this great mission of the tribes. Immediately after the imposed war of Iraq, the tribes of Ilam, Lorestan, and Kermanshahan formed the tribal mobilization unit. Some of the villagers who were under siege by the aggressions of the Iraq forces, even when they were supposed to migrate, resisted and did not migrate. Some even abandoned their livestock and went from Boyer Ahmad, Lorestan, and other places to the borders. Today, the tribes, especially those which were on the borders, because they are aware of the regional situation and know some military techniques, fight the aggressive enemy shoulder to shoulder with the brothers of the military and guards corps. It has been witnessed that in certain cases, some of the tribesmen have crawled 2 km under the most difficult conditions and armed with only ordinary weapons attacked the tanks of the Ba'thists. Now, too, the Ilam tribal mobilization acts under the auspices of the guards corps, so that in more coordination they can pay their share in driving the occupying forces from the borders of our Islamic nation.

Population Statistics on the Number of Tribes, Clans, and Tribal Branches in Provinces

Province of Kohkiluyeh and Boyer Ahmad: 7 tribes, 19 clans, 209 branches

Province of Kerman: 40 tribes, 230 clans, 191 branches

Provinces of Sistan and Baluchestan: No tribes, 77 clans, 252 branches

Province of Khorasan: 8 tribes, 83 clans, 22 branches

Province of Mazandaran: 3 tribes, 28 clans, 93 branches

Province of Ilam: 6 tribes, 78 clans, 16 branches

Province of Chaharmahal and Bakhtiari: 2 tribes, 1,165 clans, 165 branches

Province of Fars: 4 tribes, 18 clans, 402 branches

Province of Lorestan: 9 tribes, 78 clans, no branches

Province of Kermanshahan: 13 tribes, no clans, 114 branches

BRIEFS

EXPECTED 'DEVELOPMENTS' IN AHVAZ--AL-DUSTUR has learned from sources close to the Arab Front for the Liberation of Ahvaz Tohat, with the Iraqi Armu on Ahvaz territory, the Ahvaz region is expected to witness important developments. The formation of an Arab governmental authority may be announced soon, with the projection that this authority will at a later stage negotiate with the Iranian Government on the political system to be applied there. Furthermore, this authority will contact Arab and foreign governments, work for the recognition of the Ahvaz people's right to self-determination, take the issue of self-determination to the United Nations, prepare the Ahvaz Arab people for a national referendum under UN supervision, and form a popular army to maintain security and run the affairs of the country in the liberated region of Arabistan. [Text] [PM070941 London AL-DUSTUR in Arabic 7 Dec 81 p 12]

CSO: 4604/8

SCIENTIFIC RESEARCH COUNCIL PROJECTS LISTED

Baghdad AL-THAWRAH AL-USBU'I in Arabic 24 Oct 81 p 5

[Article: "Twenty-three Projects Sponsored by the Scientific Research Center-- Concentrate the Concepts of Science and Scientific Research in All Aspects of Life"]

[Text] Advancing scientific research in all areas and sectors has become the task of the Scientific Research Council through its newly enacted law: It will lead to the strengthening of basic values for scientific growth and the national economy. It will also guide the utilization of science and technology as befitting the political, economic and social circumstances in the nation.

Responsible sources from the council announced this and said that a firm base for the sciences was created through persistent efforts toward achieving an understanding of science and scientific research in all aspects of life and through the deployment of all available human resources with the goal of finding select scientists and capable researchers to bear the burden of this qualitative leap which the party command and the revolution have been seeking regarding science and technology. The council's law has been enacted to achieve these goals.

The sources added that the council has taken several steps to achieve the goals including the reorganization of the council's centers for scientific research and the creation of new research centers commensurate with the scientific growth occurring in various sectors. Also, in-house regulations have been drawn up for the scientific research centers.

They also pointed out the most important projects the council and its research centers sponsor. They are as follows:

1. Discover a new method to separate glucose from date juice.
2. Find alternatives to substances already used for purifying and filtering liquid sugar.
3. Prepare nutrition for children consisting of dates with the cooperation of UNICEF.
4. Start a program for the use of solar energy for agriculture with regard to plastic houses.

5. Complete a drainage model for the Dalmaj reclamation project.
6. Discover a new hybrid of barley suitable for industrial purposes.
7. Begin the implementation of the solar house project which depends on solar energy as the principal energy supplier.
8. Complete a preliminary study on the solar heater and its use in the country.
9. Set up a solar energy observation station in a field outside the center for solar energy research. It will be the first such station to be set up in Iraq.
10. Begin researching the use of solar energy for food manufacturing. Practical application of the research would be conducted at the center for solar energy research.
11. Research for a new kind of inexpensive cement to be used for construction, plastering, flooring, etc.
12. Participate in updating the Iraqi specifications to provide the country with the kinds and quantities of sand it needs.
13. Find alternatives to construction material such as stones and rocks.
14. Set up the equipment for an experimental plant for a project to filter drinking water through the best methods.
15. Set up an experimental station for the study of marine life.
16. Set up a station for drainage pumping and glass houses in al-Fudayliyah.
17. Set up two seismological stations in al-Sulaymaniah and al-Rutba.
18. Set up an experimental plant to extract sugar in al-Fudayliyah.
19. Construct a seismological station in Baghdad.
20. Construct additional buildings to the council's research centers in view of their needs.
21. Construct an experimental soil testing station at the Dalmaj project.
22. Equip the council with an electronic accounting system with a memory of 64,000 words.
23. Begin constructing the new Iraqi astronomical station.

The sources also stated that the council has held several discussion groups and symposia on various science areas and topics aimed at securing an exchange of expertise and continuing meetings among the experts so as to benefit from expert knowledge. The council has also participated, through its research centers, in training university students around the country in various specializations.

Working researchers supervise students in advanced studies at Iraqi universities. The council also permits employees of universities to take advantage of the research centers' laboratories.

The council has agreed to publish periodical scientific reports reflecting the activities of its centers and the progress of scientific research in the areas of agriculture, water resources, biology, oil and construction.

9770

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DIALOGUE WITH USSR URGED

Tel Aviv AL HAMISHMAR in Hebrew 3 Nov 81 p 3

[Article by Yossef Shemi: "The De Gaulle Syndrome in the Reagan Policy"]

[Text] The United States is going to make a major shift in its policy towards Israel similar to the one France made at the outbreak of the Six-Day War. Opening channels of communication with the USSR can save Israel from its isolation and make it possible to include an article on arms control in the Middle East in the negotiations on a comprehensive settlement in the region.

The arms deal the Reagan administration made with Saudi Arabia, in which it sold the Saudis sophisticated offensive arms in large quantities, constitutes in itself a violation of the Camp David agreements. The issue becomes even clearer if one looks at the next step of the American administration--adoption, even partial adoption of the Saudi plan for the solution [settlement] of the Arab-Israeli conflict.

In the Camp David accords, which apply to the West Bank as well, it was agreed that the fate of these territories will be decided on at the end of the 5 years of the autonomy. It was agreed that in the meantime neither the Egyptians nor the Americans will do anything to change the military status-quo, beyond the changes which will be created by the Israeli withdrawal from the Sinai. But the Reagan administration not only violated the agreement about the stages for the implementation of the Camp David accords, which stated that the West Bank issue will be postponed for 5 years, but also upset the power balance in the region at the beginning of the process, even before the withdrawal from the Sinai, by signing a giant arms deal with the Saudis. The version that these arms are necessary to protect the oilfields does not convince anybody. The Saudis will not have to face a Soviet invasion alone. The United States will have to join the fight. Their other enemies such as South Yemen, are not so well equipped that Saudi Arabia will need such new arms to protect itself against them. In fact, the main threat to the Saudi royal house is internal. The arms worth \$85 billion are no good in case of a revolt or a military coup. Such an arms supply means an increase in the number of army officers and specialists who in time will want to gain control and not to live in the shadows of the corrupt princes.

That might happen in the future, and the Americans will have to face it. At present, it is clear that the arms deal changes the military power balance

against Israel, at the same time the United States is continuing to send arms to other countries in the region. All this is meant to create military pressure on Israel so that it will show more so-called "flexibility" in the negotiations on the controversial issues and especially the issues of the West Bank and the creation of a Palestinian state.

A Shift in Policy

It has to be stated clearly that the Reagan administration, in spite of all the verbal promises, is reshuffling its policy the same way De Gaulle did in 1967. France has a long history of agreement violation when it feels that such a step is convenient. Before De Gaulle there was another French politician named Daladier, and before him another one named Talleyrand who betrayed Poland in the Vienna congress. The United States also went back on its promises, as it did in the case of Vietnam, but for its defense it should be said that it did so because of military defeats and internal turmoil. Most of Israel's spokesmen, including those from the Alignment, like to say that we are a wall against further Soviet expansion. The purpose has been to gain a favorable attitude from the American government and to win leniency from it with regard to the West Bank. There were those who dreamt about full annexation, and those who would have been satisfied with less, like the supporters of the Alon plan, for example. Both groups wanted to postpone the settlement of the conflict as much as possible hoping that in time we will be able to get a more favorable solution to the problem of the West Bank. They cooperated with certain groups in the American administration in trying to push the Soviet Union out of the settlement conflict. The assumption was that it would be easier to postpone a comprehensive settlement if we have to deal only with the United States and not with the two superpowers at the same time. In time, the opinion was formed that the American administration will give a silent approval to annexation if only it will be done the "right" way, but those hopes were not materialized. In 1977, just before Sadat went to Jerusalem, the prime ministers of the United States and the USSR published their famous joint declaration. That attempt to achieve a comprehensive settlement by both superpowers was frustrated by Israel, its friends in the United States and Sadat, who had his own reasons. In Camp David, the Begin government agreed to total withdrawal from the Sinai hoping that this will help to delay or even to abolish the "vicious" demands regarding the other territories.

The Shortcomings of a Partial Settlement

In addition to all the other known shortcomings of the partial settlement with Egypt, it has one serious shortcoming which has been overlooked--it does not include an agreement on arms control. Such an agreement is essential for us, as even with the West Bank and with American aid, in the long run, there is no way we can compete in the arms race. An agreement on arms control could have been reached, if among the signatures on the peace treaty had appeared the signature of the Soviet representative. The Begin government, even more than the previous Alignment governments, strongly objected to any mentioning of Soviet participation, because of its "principles." We became more American than the Americans. At certain times, the Americans were willing to have the USSR join the negotiation table but Israel subverted any such effort, because it feared that a comprehensive settlement will include an almost total withdrawal from the West Bank. Today, nobody doubts that the United States, as well, wants Israeli

withdrawal like the withdrawal from the Sinai. The Begin government has created a situation in which Israel has no room for maneuver; we do not have access to the Soviet Union, and we do not have close contacts with any important West European nation. In his "wisdom" Begin has succeeded in breaking relations with some of their heads of states by his vicious attacks during the election campaign.

Fait Accompli

Now, Begin is trying to win Reagan's favor. Therefore, he is willing to silence the cries about the Saudi arms deal, so that the West Bank issue will not be put on the negotiation table. In the meantime, he is telling his followers that we will create fait accompli, and the other nations will have to take that into consideration. Those are false hopes. Nobody took into consideration the fait accompli in the Sinai, and nobody will do it in the West Bank. The Reagan administration wants to flatter the Saudi princes, to give them prestige in the Arab world, therefore it is willing to adopt the Fahd plan, which by the way, is not so different from what was advertised not so long ago as the Rogers plan. The Saudis are even more "stingy" about what Israel is going to get in return for the withdrawal. The Saudi plan is more extremist than the Russian demands, as the Russians are really interested in the existence of Israel as a permanent component of the Middle East. Therefore, it is not so late to try to make contact with the Soviets, to take away some of the animosity which became part of our relations with them, to get some room for maneuver, and to include the arms race issue in the negotiations for a comprehensive settlement. We do not have to be a wall against communism; the American government does not need us either as servants or as aid in this task. Others will carry out this task, those who get the AWACS and the Sidewinders.

Timing is important in diplomacy. If we had opened channels of communications in past years, the results might have been much better now. Today, we do not know what the other side, the Soviets, will say. It is possible that we are too late. A public declaration might cause a rift between us and most of the Jewish and non-Jewish public which supports us in the United States. This public is mostly conservative and anti-communist. In spite of that, we have to try and find channels of communication with the Soviet Union. Time is almost out. Those who say that after April 1982 things are going to be completely different, are right.

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CSO: 4423/48

PLO SEEN GAINING GROUND IN DIPLOMACY

Tel Aviv HA'ARETZ in Hebrew 29 Oct 81 p 9

[Article by Amos Eylon: "Not of Fleeting Importance"]

[Text] The diplomatic achievements of the PLO make it almost impossible to create local representation among the Palestinians in the territories.

Words alone will not create a Palestinian state in Jordan, as Foreign Minister Shamir thinks. It is even harder to prevent the PLO from making more diplomatic gains in the international arena, and even harder to guarantee Palestinian participation in the establishment of full autonomy in the West Bank and the Gaza Strip.

The implementation of the autonomy plan is the most serious task that this government took upon itself, and it has failed and is continuing to fail in it, and not because it is an innocent lamb surrounded by vicious wolves. Without Palestinian participation there will be no autonomy, and with no autonomy which both sides will approve of there will be no peace with Egypt. All the efforts to achieve Israeli-Egyptian agreement on this issue, including the most recent effort made in the talks that took place this week, have failed.

In the meantime, the PLO, headed by Yassir Arafat, is continuing to make impressive diplomatic gains, which contribute to the establishment of its position as the sole representative of the Palestinian people in the international arena. We have to pay attention to the quick pace of developments and their geopolitical location all the way from Moscow to Washington. Arafat's visit to Moscow gave him for the first time full diplomatic recognition from one of the superpowers. Japan did not go as far as granting the PLO full diplomatic recognition, but took care to make Arafat's visit to Tokyo almost official, and after the visit both sides stressed the aura of common understanding between them. Andreas Papandreo, the new Socialist prime minister of Greece, invited Arafat for an official visit to Athens and even promised to recognize the PLO as the sole representative of the Palestinian people. And finally, President Reagan, following Presidents Ford and Carter, announced that he is willing to start negotiations with the PLO as soon as the PLO will recognize Israel's right to exist. All this took place in a period of 2 weeks. In reality, it is quite impressive.

It is possible to say that these developments have no real significance. We treat seriously only the bombs the PLO plants, but not its embassies. And in

spite of that, it will not be easy to live with the recent gains of the PLO in the diplomatic arena. It is true that 120 embassies around the world cannot make the PLO into a state, but with more international recognition of the PLO, especially by the superpowers, there are less chances that the inhabitants of the West Bank and the Gaza Strip will be willing to take their fate into their own hands. As the position of the PLO is strengthened all over the world, there are less chances that the Palestinians under Israeli control will create their own independent political leadership which will not be dependent on the terrorist organizations, and which will be willing to participate in the autonomy negotiations. As this has been one of the main objectives of the Israeli and Egyptian governments in the 3 years that have gone by since the Camp David accords, what is going to happen to it now? The hope of creating a moderate local leadership is also at the core of the new government policy to replace the military government in the West Bank with a civilian administration.

Nobody wants to be in the shoes of Prof Menahem Milson, who took upon himself to head this new civilian administration. What might have been possible a few years ago, is almost impossible now. A few months ago, in a lecture in the Van Leer institute in Jerusalem, Prof Milson expressed confidence in our ability to break the PLO politically in the West Bank. It will be interesting to see how he will go about achieving this goal. Will the inhabitants of the West Bank and the Gaza Strip start to turn their backs on the PLO now that the organization is receiving worldwide recognition? After it was accepted in Moscow? On the eve of its recognition by the West Europeans? The opposite is likely. Under the present circumstances, civilian administration in the West Bank is the same as annexation, with no political rights given to the population. That will strengthen the PLO both among other nations and inside the territories themselves.

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MONETARY, BANKING CONDITIONS DISCUSSED

Competition in Expanding Market

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jun 81 Special Edition pp 24-25

[Article by Rashid Hasan: "The Banking and Monetary Situation in Saudi Arabia: Expanding Market, Competition, and Liquidity Crisis"]

[Text] Saudiization of the Banks Has Expanded the Base of Banking Activities and Unleashed the Machinery of Competition.

Specialized Banks Played the Principal Role During the Stage of Initial Growth, But Then They Withdrew and Left the Field to the Commercial Banks. The Liquidity Crisis: A Standstill in Deposit Activity, Big Increase in Credit Loans, and Great Decline in Commercial Bank Reserves. The Ratio of Reserves to Demand Deposits Decreased from 73.6 Percent to 24.7 Percent, and the Ratio of Credit Loans to Deposits Increased from 47.9 Percent to 100 Percent.

The flexible policy of the Saudi Arabian Monetary Agency [SAMA], and in particular the Saudiization of the banks operating in Saudi Arabia, has provided an impetus for growth to the banking sector in Saudi Arabia and has, in a short time, multiplied its rates of growth as well as its deposits, credit loans, and bank branches. The policy has also, through unleashing the mechanism of competition, set the basic foundation for a developing financial market.

Nevertheless developments in the international market, especially the trend of rising interest rates, have had their repercussions on Saudi banks which, with the continual support of SAMA, have tried to absorb the pressures which have been exerted on their liquidity and reserves.

The following is a presentation of the most important developments which took place in the monetary and banking situation in Saudi Arabia during the period 1977-80, with special emphasis on recent and current trends.

During recent years the banking sector in Saudi Arabia has witnessed important developments which have anchored the foundations for the growth of this sector and have paved the way for this sector to increase its role in the financing of the country's economic activity.

There is no doubt that the basic development which took place in this domain was the implementation by the [Saudi] monetary authorities of the policy of Saudiization of the banks--a policy which transformed the foreign banks operating in Saudi Arabia into joint-stock banks with a minimum of 60 percent Saudi ownership. This policy has led to great and rapid expansion of the national base of the commercial banks, whose number thus increased from only two banks (the National Bank and the Riyadh Bank) to nine banks at the present time--after the addition of seven banks which came to have a minimum of 60 percent Saudi ownership. These seven banks are: the Saudi Cairo Bank, the Bank al-Jazirah, the Saudi Holland Bank, the Saudi French Bank, the Saudi British Bank, the Arab National Bank, and Citicorp which recently agreed to Saudiization.

As SAMA had hoped, the process of Saudiization led to an unprecedented expansion of the base of banking activities on numerous levels. One result of this has been that the banks which underwent Saudiization now enjoy rights and privileges which they, as foreign banks, did not enjoy previously--in particular, the right to open branch banks in all areas of Saudi Arabia. These banks have made use of this right and during the last 2 or 3 years they have become very widespread. The number of bank branches operating in Saudi Arabia increased from 110 in 1978 to 140 in 1979, and then to 215 by the end of 1980. Furthermore, the number of seasonal bank offices (which operate during the pilgrimage season) has increased to 28.

The expansion and increase in number of national banks in Saudi Arabia has led to an important phenomenon. This phenomenon has been the emergence of competition between these banks and the gradual development of the machinery and apparatus of the banking market, including the increase in number of bank branches, as these banks strive to attract depositors, provide various types of credit loan services as well as other services, and increase their capital and reserves in keeping with the general expansion of operations and growth in volume of credit. The monthly statistics of the International Monetary Fund [IMF] show that the total capital of the commercial banks increased from 1.29 billion riyals at the end of the first quarter of 1978 to 2.55 billion riyals by the end of 1979, and then to 4.13 billion riyals by August 1980. That is, capital nearly doubled during the first 9 months of last year.

This expansion naturally was accompanied by positive results in terms of the formation of national expertise and the expansion of its scope. This, of course, will pave the way for Saudi personnel to play a greater role in the administration of Saudi banks and to gradually shoulder the basic responsibilities which, in practice, are still in the hands of the previous foreign bank administrations--which have continued to operate on the basis of administration contracts which were concluded with most of the new Saudi bank boards.

These banking developments coincided with the development of economic activity in general, an increase in government expenditures (which, in the oil-producing countries generally, are considered to be the basis for determining the volume of liquidity in the country), and the growth of the dynamic private sector, but they are considered to be factors which support and provide an incentive for the growth of the banking sector and an increase in its activity. Of course, there still are a number of factors which tend to limit this growth. The most important of these are the lack of widespread acceptance of traditional banking practices and the availability of large sums of wealth to a broad sector of corporations and individuals. This enables

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such individuals and corporations to finance themselves and means that they feel no need to resort to loans to finance many of their projects. However, the most important reason for the relatively limited role of the Saudi banks (in comparison with the volume of economic activity generally) is the fact that the government engages directly in the financing of the [country's] most important economic activities, either via its budget or via specialized loan institutions which set very easy terms and, in practice, do not charge any interest. This makes it logical for Saudi citizens to seek out these loan institutions in order to finance their housing, industrial, and agricultural projects. Nevertheless, the trend of current developments will, in time, inevitably lead to an increase in the share of commercial banks in the country's credit loan activity. This will occur along with a growth of individuals' awareness of banks and a modification in the behavior of depositors in the direction of more demand for market interest rates above 6 percent, or slightly less sometimes since many Saudis still insist on this [low interest rate] due to religious considerations. Furthermore, there is also increasing competition among banks, their experience and expertise is becoming more well-grounded, and there is a branching out of their credit loan operations.

The Commercial Banks Are Looking Abroad

Commercial banks in Saudi Arabia traditionally restrict their activities to that of financing current and short-term operations. Among the most important of these operations are the providing of financial aid to contractors and importers operating in Saudi Arabia and the financing of the two sectors of trade and services. However, due to the pressure of new requirements and continual developments in the markets both of the region and of the world, the banking apparatus in Saudi Arabia is moving in the direction of more diversification and integration in its types of activities. One of the most important developments in this domain which has taken place has been the fact that the banking apparatus has entered important foreign markets such as those in Bahrain and London. In Bahrain the Riyadh Bank, jointly with the Credit Luni Bank, has established a foreign banking unit which has permitted the Saudi banking apparatus to enter the field of administering consolidated loans and to enter the international finance market. In London, in 1975, SAMA established the Saudi International Bank in which it owns 50 percent of the shares, 2.5 percent of the shares are owned by the National Commercial Bank and the Riyadh Bank, and the rest of the shares are owned by foreigners. This means that this bank is controlled by the Saudis, and within a short period of time the bank has acquired importance as SAMA's commercial arm in international markets and as the most important channel for Saudi public and private investments.

Liquidity Crisis

Since 1979 the liquidity of the Saudi banking apparatus has been experiencing continual pressures due to the enticement of high interest rates paid on foreign currencies, especially the dollar, and due to the fact that individuals have large cash surpluses for which there are no domestic opportunities for investment available which are profitable and are a safe investment.

The monthly statistics of the IMF clearly reflected these pressures, especially during 1979. During that year, reserves in Saudi banks, all at once, decreased from 22.1 billion riyals to 13.6 billion riyals. In contrast to this, deposits increased only 1 billion riyals (from 30 billion to 31 billion). The monetary authorities were

forced to use part of SAMA's foreign assets to provide liquidity to the commercial banks and to enable them to finance the large-scale conversions to U.S. dollars and other currencies. This was reflected in the decrease in Saudi foreign [currency] reserves between the end of 1978 and September 1979, as well as a decrease in SAMA's foreign assets of about 10 billion riyals between the end of 1978 and the middle of 1979.

The volume of conversions which took place during this period of time becomes clear when we see the tremendous increase in credit loans which were made during 1979. They increased from 14.4 billion riyals at the end of 1978 to 26.73 billion riyals by the end of 1979, that is, an increase of 83 percent in 1 year. In contrast to this, deposits increased only 3 percent. At the same time, foreign assets in the commercial banks, during this period, increased from 11.55 million riyals to 18.19 million riyals, that is, an increase of 71 percent.

1980 Trends

Last year the pressure on the banks' liquidity continued, and there was a continuation of the trend of rising interest rates in the world markets. Consequently there was a continuation of the trend to convert money into dollars and other currencies and to make deposits in foreign currencies, both within the Saudi banking apparatus and directly in banks abroad. This trend is especially seen in the continual inflation of the banking apparatus's foreign assets, the value of which has gone up from approximately 16.88 billion riyals at the end of the first quarter of 1980 to about 27.31 billion riyals by the end of September of the same year, that is, an increase of approximately 62 percent within 6 months. Another factor which has increased the pressure on the liquidity of the commercial banks has been the continual large increase in credit loans, even though it is difficult to determine what percentage of them has been used for discount operations, dollar investments, etc. Many of these investments do not show up in bank statistics in view of the fact that they end up outside Saudi Arabia and do not remain in the [Saudi] banking apparatus (as deposits in foreign currencies). During the second and third quarters of 1980, credit loans to the private sector increased from about 28.44 billion riyals to about 33.59 billion riyals, that is, an increase of about 18 percent in 6 months. On the other hand, demand deposits during the same period increased only about 9 percent. In contrast to this, foreign currency deposits increased from 1.9 billion riyals at the end of 1979 to about 4.71 billion riyals by the end of October 1980. This increase was reflected in the total amount of near-money in the banking apparatus, which rose from 11.28 billion riyals at the end of 1979 to 17.32 billion riyals in October 1980.

It is clear that continued conversions into foreign currencies, especially the dollar, have greatly increased the pressure on commercial banks' reserves which have continued to decline--down to a total of 8.57 billion riyals in October 1980 as opposed to 22.12 billion riyals at the end of 1978 and 13.59 billion riyals at the end of 1979 (according to I.F.S. figures). Liquidity in the banks (the ratio of reserves to deposits) thus decreased from 73.6 percent at the end of 1978 to 24.7 percent by the end of October 1980. In contrast to this, the ratio of credit loans to deposits during this same period increased from 47.9 percent to about 100 percent. The indicators just quoted give a clear idea concerning the size of the liquidity crisis experienced by Saudi banks during 1979 and 1980, and they show what tremendous burdens the monetary authorities have had to assume because of this. In fact, Saudi

Arabia, via SAMA and the Ministry of Finance, has continually been forced to pump large sums of cash into the banking apparatus in order to meet the great demand for currencies and absorb the surplus in supply of riyals, and consequently lessen the pressure on the local currency. As has already been indicated, some of the effects of this government support have shown up in the decrease of SAMA's foreign assets, with a growth of 7.5 billion riyals during the second quarter of 1979. And we should bear in mind that these assets are mobile assets, are affected by oil revenue developments, and cannot always be used as a standard.

The burdens of this situation are also shown by another indicator, which is the increase in government deposits in the commercial banks and which reflect part of the process of the government supplying them with liquidity. These deposits increased by about 900 million riyals during the first 9 months of 1980, and we should bear in mind that this increase is only an indicator of a trend and does not represent a definite numerical factor.

Interest Rate Structure: Market Factors and Local Custom

One must acknowledge that the principal reason for such conversions into foreign currencies is not only the increase in interest rates paid on them, but also the decrease in interest rates paid on the riyal and the fact that these latter interest rates may not go beyond a given ceiling. This makes absorption of the pressures on domestic liquidity depend upon this liquidity being available from the monetary authorities directly, rather than via the machinery of interest rates and being influenced by classical monetary devices. If this exception to the rule is possible in Saudi Arabia, because of the enormity of the government's foreign currency reserves and because of the development of procedures for monitoring the banks' utilization of liquidity revenues, nevertheless it remains the basis of a striking phenomenon--which is the lack of homogeneity and multitude of interest rates present in this single [Saudi] market. In particular, there is a great disparity between interest rates between banks, which in some cases have gone up to almost 20 percent, and the interest rates on deposits and credit loans. Due to the pressure and continuation of international circumstances, a unique interest rate structure has emerged which involves three levels. For the banks' "preferred" customers--that is, those who actually deposit their money in the banks, with the interest payments generally being very low--the interest rate on current credit is between 7 and 9 percent. This rate goes up to 12 and sometimes even 14 percent for additional credit and loans. For non-Saudi and new Saudi customers the interest rate is 17 or 18 percent, that is, it approaches that of the interest rates between banks.

The thing which permits this disparity in interest rates on credit loans is the fact that the interest rates on deposits are basically not market-related and differ from depositor to depositor. Most of the Saudi deposits (some sources estimate 75 to 80 percent of them) pay commission interest rates which sometimes are no more than 2 percent. These interest rates, in any case, may not exceed 6 to 8 percent--this being the rate which many Saudis believe is the [highest] acceptable rate of profit or return which can be legitimately paid on capital assets. The availability of this cheap source of deposits greatly lessens the effects of the rise in interest rates between the banks and the cost of short-term loans for financing emergency liquidity requirements. This also permits the banks to maintain some of the favorable credit terms, at relatively low interest rates, which they extend to their preferred customers.

It should also be pointed out that much of the financing of industrial operations and some construction activities and services is accomplished via the specialized banks on long-term bases and without interest payments. One could consider this to be a special type of credit loan which makes it possible to overcome the vicissitudes of the market and which provides investors with a cheap and stable source of financing.

Specialized Loan Institutions

In Saudi Arabia, at the present time, there are six specialized loan institutions which are operating. In terms of the volume of credit loans granted, the most important of these are the General Investment Fund, the Saudi Industrial Development Fund, and the Real Estate Development Fund.

The General Investment Fund is considered to be one of the oldest institutions which specialize in medium-term and long-term loans in Saudi Arabia. It was established in 1971 for the purpose of providing for the financial requirements of large industrial and commercial projects being undertaken by public sector corporations. It does its financing by means of loans or joint ownership.

These projects are mostly so large and costly that it is difficult for the private sector to carry them out. We should also bear in mind that one of the basic principles of the Saudi government is to participate as a partner with the private sector in these projects after they are established and developed by means of having most of their shares put up for sale to the public (for example, the SABIC projects).

The Saudi Industrial Development Fund specializes in financing industrial projects established by the private sector and in financing electric utilities projects. The Real Estate Development Fund is concerned with providing financing for housing projects to individuals and corporations. All of these institutions do not charge interest on their loans--which are generally long-term loans.

Statistics from SAMA give a clear idea of the rapid development of these institutions and of the great increase in the role which they play in financing economic and investment activity in the country. According to SAMA's 1979 annual report, the share of these institutions in total loans made by the banking apparatus to the private sector increased from about 41 percent in the 1975/76 fiscal year to about 65 percent in the next fiscal year (1976/77). The absolute value of loans granted by these institutions to the private sector during the aforementioned fiscal year (1976/77) tripled. Specialized loan institutions also kept for themselves the lion's share of domestic loan activity in the fiscal year 1977/78. During that year their share of this activity totalled about 63.6 percent. But in the fiscal year 1978/79 they surrendered their position of leadership to the commercial banks. In that year their share of the total activity went down to 46.7 percent.

This decrease in the relative volume of loans extended by these specialized institutions is attributable to two basic factors: The first factor is that these institutions increased their loan activities to a great and unusual degree during 1975 and 1976 in order to keep pace with the great demand for establishing industrial and housing projects. This was then followed by a type of levelling off in the market, and the result was that demand retreated back to its normal, more moderate levels. One noticed, for example, a great decrease in credit extended by the Real Estate Development Fund during 1978 and 1979, after the peak which was reached in 1977 in an

effort to solve the housing crisis and to provide apartments for both native Saudi citizens and foreign residents. The housing crisis led to a great demand for housing construction in order to benefit from high rents, but this demand quickly created a situation of large supply which resulted in a decrease in demand for construction activity.

Thus a part of the mission of the specialized banks in Saudi Arabia (that of financing initial growth) could be considered to be of a temporary nature. But the second part of their mission--that is, providing long-term loans for both public and private projects--will no doubt essentially remain in existence, although it will assume its normal proportion within the framework of the banking apparatus's activities as a whole.

The second factor responsible for this decrease in volume of activity on the part of the specialized banks--representing activity which is being assumed by the commercial banks--is the rapid development which the commercial banks are undergoing. This has been especially true after the process of Saudiization and the great expansion in branch banks and in various operations which has been a result of Saudiization. This is an expansion which will not reach its limit in the near future in view of the great capacities and potential which are still not being exploited in the Saudi financial market.

Table 1. Development of Most Important Saudi Monetary and Banking Indicators During the Period from the End of 1977 Until the End of the Third Quarter of 1980 (in billions of riyals, unless otherwise indicated)

	<u>1977</u>	<u>1978</u>	<u>1979 (end of second quarter)</u>	<u>End of 1979</u>	<u>Percentage change 1978/79</u>	<u>1980 (end of third quarter)</u>	<u>Percentage change 1979/80</u>
<u>Monetary reserves</u>							
Foreign reserves minus gold (in millions of dollars)	299.3	19,200 ¹	18,099	19,273	+0.3%	23,896	+24%
SAMA's foreign assets	208.27	198.95	187.20	207.46	+4%	266.45	+28%
<u>Commercial banks</u>							
Reserves	13.03	22.12	18.01	13.59	-24.5%	9.28	-31.7%
Foreign assets	11.28	11.55	12.47	18.19	+57.5%	27.31	+50%
Credit loans to private sector	10.68	14.40	20.84	26.73	+85.6%	33.59	+25.6%
Demand deposits	22.16	30.03	28.97	31.00	+3%	33.71	+8.7%
Government deposits in commercial banks	0.39	0.75	1.23	0.84	+12%	1.63	+62%
Foreign currency deposits	1.30	1.20	1.50	1.90	+58%	3.82	+101%
<u>Liquidity</u>							
Cash	38.41	49.21	49.63	54.70	+11%	58.82	+7.5%
Near-money	7.15	8.83	10.25	11.28	+27%	16.41	+45%

¹ Beginning April 1978 there occurred a change in the definition of Saudi foreign currency reserves and, because of this, currencies used to cover money in circulation, at that time amounting to about \$5.3 billion, were put up for sale. However, Saudi Arabia, according to a special agreement made with the International Monetary Fund, only considers a portion of its liquid assets, and assets which can be readily converted into liquid assets, to be foreign reserves. (Source of information: International Monetary Fund monthly statistics)

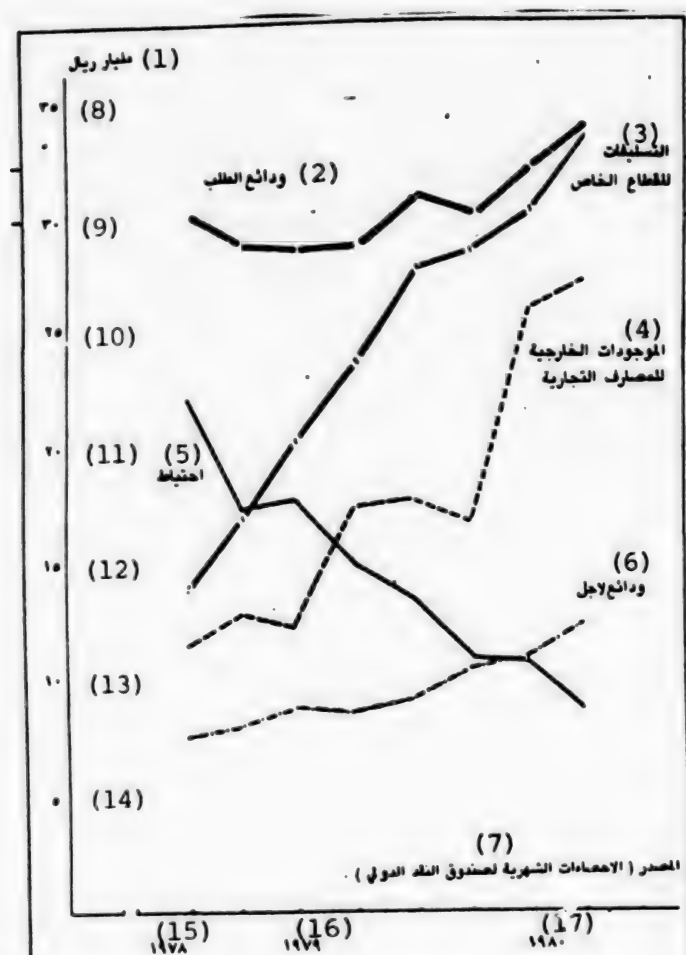


Figure 1. Increases in Credit Loans and Foreign Deposits, and Decline in Bank Reserves

Key:

- | | |
|---------------------------------------|----------|
| 1. In billions of riyals | 10. 25 |
| 2. Demand deposits | 11. 20 |
| 3. Credit loans to private sector | 12. 15 |
| 4. Foreign assets in commercial banks | 13. 10 |
| 5. Reserves | 14. 5 |
| 6. Time deposits | 15. 1978 |
| 7. Source: IMF monthly statistics | 16. 1979 |
| 8. 35 | 17. 1980 |
| 9. 30 | |

Financing of Small Projects

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jun 81 p 26

[Article: "The Saudi Holland Bank: Emphasis on Financing Small and Medium-Size Projects"]

[Text] Capital Increased from 105 to 210 Million Riyals, and Credit Loans Increased 33 Percent.

Shaykh 'Abd al-Rahman al-Freij Elected Chairman of the Board

In 1930 the Holland Bank was the first foreign bank established in Saudi Arabia. Since that time the bank continued operating until, in 1978, it was transformed into a Saudi bank and renamed the Saudi Holland Bank. The ownership of most of the bank's shares was turned over to Saudi shareholders, within the scope of the plan for "Saudiization" of the foreign banks.

The capital of this bank--which was the second bank in 1978 to be transformed into a Saudi bank--was set at approximately 105 million Saudi riyals.

The bank has been able to occupy a prominent position in the domestic financial market. It has done this by means of its effective participation in the economic development which Saudi Arabia is undergoing. This bank has managed to establish a network of 12 branch banks which cover the principal commercial and industrial centers of Saudi Arabia.

The bank's annual report dealing with its operations in 1980 points out that assets increased 27 percent. The value of these assets increased from 2.8 billion riyals at the end of 1979 to 3.566 billion riyals by 31 December 1980. In the same year, deposits also increased 25 percent. They totalled 2.965 billion riyals [by the end of 1980] as opposed to 2.371 billion riyals at the end of 1979. Total loans and credits increased 33 percent. Last year they totalled 1.929 billion riyals as opposed to 1.45 billion riyals at the end of 1979. This was in addition to the noticeably large increase in terms of credit facilities extended and activities dealing with financing industrial and agricultural projects. This growth impelled the bank board to double its capital--from 105 to 210 million riyals.

At the beginning of this year the bank underwent a change of leadership. Last 5 April the members of the board elected Shaykh Muhammad 'Abd al-Rahman al-Freij as chairman of the board.

He succeeds the previous chairman of the board, the late Husayn al-'Attas. Mr Muhammad Husayn al-'Attas had been appointed as a member [of the board] in order to fill the vacant position until the expiration of the present board's term of office.

Foreign Banks' Role

Beirut AL-IQTISAD WA AL-A'MAL in Arabic Jun 81 p 27

[Interview with 'Abdallah Abu al-Samh, director general of the Saudi French Bank: "The 'Saudiization' Plan Has Benefited Foreign Banks"]

[Text] The Level of Interest Rates in Saudi Arabia Has Not Been Influenced by the Worldwide Rise in Interest Rates

What is the situation with regard to the foreign banks which, during the last 3 years, have been transformed into Saudi banks in accordance with the plan for "Saudiization" of these banks? Mr 'Abdallah Abu al-Samh, director general and authorized member of the board of the Saudi French Bank--the only bank which has undergone "Saudiization" which has a Saudi director general--answered this question during the following interview which was held with him:

[Question] What was the effect of transferring most of the bank's shares to Saudi shareholders?

[Answer] The "Saudiization" plan was beneficial to the bank and has generally been beneficial to the foreign banks, the majority of shares of which are now owned by Saudis. When we became a Saudi bank, we became able to obtain favorable [credit] terms and consequently we acquired more ability to expand. The bank's capital increased from 100 to 200 million Saudi riyals, and this year, along with our reserves, it will total 400 million riyals. Furthermore, the number of branches of the bank has increased from 2 branches in 1977 to 18 branches--scattered throughout Saudi Arabia--this year. We are also planning to open up new branches next year. Previously, before "Saudiization," it was very difficult for us to open up new branches and we were not even able to obtain appropriate favorable [credit] terms. But after "Saudiization" we have become one of the most active banks in Saudi Arabia.

[Question] What is your assessment of the results of the bank's operations in 1980? What have been the initial results?

[Answer] Assets increased from 5.528 billion Saudi riyals at the end of 1979 to 11.037 billion riyals by 30 June 1980. Also, total deposits during the same period increased from 1.742 billion riyals to 4.789 billion riyals. Credit loans during 1980 increased from 1.610 billion riyals to 2.807 billion riyals. These figures need--less to say, show great development.

This year we expect a growth in the banks' assets of between 25 and 30 percent. This is attributable to the big growth in the banks various activities and is a result of economic growth in Saudi Arabia generally.

[Question] What have been the trends in interest rates in Saudi Arabia?

[Answer] Interest rates did not go up in Saudi Arabia as they did in other countries. This is attributable to the fact that the people in Saudi Arabia are not concerned with interest payments since Islamic teachings forbid using them in transactions. This was responsible for the fact that the cost of credit loans was not affected by the huge increase in interest rates which the world has been experiencing for about the last 2 years.

[Question] What is your opinion concerning the status of Arab investments abroad?

[Answer] Arab investments abroad have both their positive and negative aspects. For the Arabs they create international power by means of effective participation in international investment and financial activities. But investing Arab money abroad decreases participation [by Arab money] in the building of the economies of the Arab countries. In fact, this phenomenon curtails the building of their economies to a great degree. In any case, Arab investors have come to realize that investing in the Arab countries has become something which is profitable. However, Arab investors want political stability and they want the Arab investment climate to be cleansed of all non-commercial dangers before they cast their lot with the Arab countries.

[Question] How developed is your bank administration, both in terms of technology utilized and availability of qualified personnel?

[Answer] During the last fiscal year the bank pursued its policy which had the objective of employing as many Saudis as possible and training them both locally and abroad in banking operations. In this regard, we have achieved good results. Of our bank employees, 131 of them have been trained in Saudi Arabia and 27 of them have been sent to Britain for special training courses lasting between 6 and 9 months. The bank is endeavoring to continue with this plan because it has brought us such tangible success in providing for all of our needs in terms of Saudi technical personnel. By 30 June there were 733 employees working in the bank, whereas in 1979 there were only 547 bank employees.

As for the bank's technological development, we have begun to use computers in our bank branches in the Eastern Province, and we plan to eventually do this in all of our bank branches so that we can bring our plan to completion and carry it out in all of the bank's branches in Saudi Arabia.

Annual Report: Saudi Bank

Beiruc AL-IQTISAD WA AL-A'MAL in Arabic Jun 81 p 28

[Text] During 1980 the Budget Increased 60 Percent and Deposits Increased 61 Percent

The Saudi Bank has issued its annual report for 1980. It includes a presentation by Dr Shafiq al-Akhras, chairman of the board and director general, concerning the bank's activity during the past year and plans for the coming year. The following is a summary of Dr al-Akhras's presentation:

The year 1979 was a year of reinforcement and consolidation of the achievements which the bank has accomplished since it was founded. At the same time, it was a year for making preparations for new growth during 1980. The basic core of this new growth was expansion in the geographical scope of the bank's activities and consequently the development of its effectiveness in the various aspects of banking activity, along with the achievement of a significant increase in the bank's assets and profits. During 1980 the bank was actually able to accomplish its program of expansion and growth. The following indicators are eloquent testimony to this success.

1. The overall budget figure increased from Fr 2.305 billion in 1979 to Fr 3.685 billion by the end of 1980, that is, an increase of 60 percent. This numerical increase was accompanied by appropriate development in the structure of the budget.

The bank's private capital--its capital, reserves, and retained earnings--increased in accordance with the growth of the bank's budget. It totalled Fr 173.4 million [by the end of 1980] as opposed to Fr 136 million at the end of 1979, that is, an increase of 27 percent. Paid-up capital totalled Fr 150 million after payment of the second installment of the capital gains on 1 December 1980. The two remaining installments will be paid during 1981. The third installment will be paid next June and the fourth and last installment will be paid before the end of the year.

Total bank deposits increased 61 percent between the end of 1979 and the end of 1980. During this same period, deposits by individuals doubled and deposits by the Arab central banks increased 63 percent.

Along with this increase in the bank's deposits and private capital, there was an increase in, and diversification of, the bank's investments, particularly in the field of documentary credit and financing operations pertaining to the importation of oil from the Arab countries. The bank was also active in the administration of, as well as in participating in the administration of, a number of international loans. There were 12 such loans during 1980 as opposed to 6 such loans the year before. The effects of this activity were reflected in the bank's resources in terms of interest payments and commissions and, consequently, its profits.

2. The bank reached the end of this fiscal year with a total in earnings which, before taxes and before [transfers to] debt reduction reserves, amounted to Fr 20.1 million as opposed to Fr 16.3 million at the end of 1979, that is, an increase of 85 percent. After the transfer of Fr 9.8 million to debt reduction reserves, total taxable earnings were Fr 20.3 million as opposed to Fr 10.6 million at the end of 1979, that is, an increase of 92 percent. Net earnings after taxes totalled Fr 11.7 million as opposed to Fr 6.1 million at the end of last year, that is, an increase of 93 percent. During the same period of time the size of the budget increased 60 percent, and this indicates tangible progress in the bank's profitability.

The bank's plan for the coming year will be emphasizing the following points:

Reinforcement of the bank's international orientation and development of its relations with international banks and institutions. In doing so the bank will make use of its branch in London.

Consolidation of the bank's activities, expansion of the bank's financing base both in the Arab countries and internationally, with emphasis on short-term investments, and maintenance of harmony between the rates of growth of the bank's deposits, investments, and private capital.

Strengthening the bank's relations with its customers and diversification of the services which it offers to them by means of utilizing its new branches specializing in this field, which are located in London and in the city of Cannes in France, and its branch company in Geneva which specializes in administering private investments --and consequently continuing efforts to increase deposits by individuals and corporations.

Emphasis on participating in operations and transactions which serve to increase financial relations between Saudi Arabia and the other Arab countries, on the one hand, and between Saudi Arabia and the European countries, on the other hand, in addition to strengthening the bank's role in these fields.

Completion of the program of geographical expansion within the general guidelines established by the board in terms of priorities and time-frames.

Table 2.1. Balance Sheet (in French francs)

	<u>1979</u>	<u>1980</u>
<u>Assets</u>		
Cash and accounts in banks	1,455,129,000	2,398,500,000
Portfolio of securities	24,387,000	18,752,000
Loans and discounted bonds	730,945,000	1,116,495,000
Various debtors	70,922,000	116,634,000
Investments	18,159,000	27,467,000
Fixed capital and various assets	5,793,000	7,445,000
Total assets	2,305,335,000	3,685,293,000
<u>Stockholders' Equity and Liabilities</u>		
<u>[Liabilities]</u>		
Demand deposits	139,226,000	335,825,000
Time deposits	1,968,644,000	3,057,432,000
Total deposits	2,107,870,000	3,393,357,000
Various creditors	24,328,000	30,445,000
Various claims	36,482,000	88,112,000
Total liabilities	2,168,680,000	3,511,914,000
<u>Stockholders' Equity</u>		
Paid-up capital at a rate of Fr 1,000 per share	125,000,000	150,000,000
Legal reserve	276,000	583,000
Retained earnings	11,379,000	22,796,000
Total stockholders' equity	136,655,000	173,379,000
Total stockholders' equity	2,305,335,000	3,685,393,000
<u>Accounts Receivable</u>		
Documentary credits	350,007,000	1,156,283,000
Sureties	363,033,000	436,912,000
Various accounts	265,296,000	414,373,000
Owned securities	75,805,000	1,022,964,000
Deferred settlement terms	348,618,000	449,206,000

Table 2.2. Profit and Loss Statement

	<u>Year Ended</u> <u>31 Dec 79</u>	<u>Year Ended</u> <u>31 Dec 80</u>
<u>Income</u>		
Interest payments	182,487,000	333,788,000
Commissions	16,410,000	24,176,000
Total income	198,897,000	357,964,000
<u>Expenses</u>		
Interest expenses	151,047,000	285,759,000
General and administrative expenses	29,350,000	40,859,000
Amortizations	2,203,000	1,196,000
Supplies	5,736,000	9,842,000
Total expenses and supplies	188,335,000	337,656,000
Earnings before [income] taxes	10,562,000	20,308,000
Income taxes	4,428,000	8,584,000
Net earnings	6,134,000	11,724,000
Earnings retained at beginning of fiscal year	5,440,000	11,379,000
Transferred to legal reserve	(195,000)	(307,000)
Retained earnings	11,379,000	22,796,000

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SYRIA

WIFE OF MUSLIM BROTHER LEADER ASSASSINATED

Oppression by Syrian Regime Alleged

Cairo AL-MUKHTAR AL-ISLAMI in Arabic No 25, 17 Jun 81 p 28

[Unsigned Editorial]

[Text] There is a real, full-fledged revolution in Syria, with all the cultural implications of that word. On the one hand there is a disintegrating regime that has lost all justifications for life and survival, and on the other hand there are struggling leaders who have all the ingredients for existence and for creativity. An Islamic revolution is being born in Syria from this growing conflict between the ideology and history of Muslims and a reality that is quite different from this ideology and history. This is the reality in which land, history and civilization are being sold; opium and tools of torture are being bought; and oppression and injustice are being freely distributed. There is a growing conflict between Muslims who are striving for unity and the reality that is imposing regionalism and fragmentation on them. [There is a growing conflict between] Muslims who dream of justice and freedom and the reality that is imposing injustice and subjugation on them.

Other than this conflict, it was inevitable that in a stage during which the Islamic tide was regressing, a revolution against a regime that has been trying to stifle our historical experience and to rob our nation of its cultural characteristics would be kindled. This is the sectarian Ba`th regime and the pre-Islamic retrogression. Thus, the revolution goes forward: the revolution is not a mood that befalls faithful and enthusiastic young people; it is a necessity and an inevitability that accompanies the movement of history and works by means of its progress so as to make this religion triumph over all religions.

Today, the Arab homeland--and the Syrian regime is part of it--is the sick man of the world. One looks at the seats of power and finds them occupied only by illiterate men, mad men, conspiring killers, capitulators or Despite their legendary wealth Arab leaders cannot even protect their borders. Instead, they import policemen and colonialists just as they import alcohol, blondes and perfumes.

In Syria the sectarian Ba'thist regime--like its bitter counterpart in Iraq, the tribal Ba'thist regime, and like other regimes in this free-for-all homeland--represents the most dangerous aberration [of government] that the gloomy age of colonialism produced. These regimes borrow from Nazism and Zionism the most horrible methods of murder and destruction [practiced by these two systems]. The difference is that Nazis killed non-Germans and Zionists killed non-Jews, but these regimes find no other victims but their oppressed and helpless peoples.

Have you heard of a law that prosecutes people merely for their feelings, their sentiments and their emotions and then sentences them to death for having these feelings? In Damascus sympathizing with the Muslim Brothers carries a death sentence. Nevertheless, the fire will not be extinguished, and the wrath will not be abated until those tyrants, who assume the garb of the masses to crush the masses, fall. Today, it is the turn of the masses to speak.

The gap that exists between the regime and the masses is growing. The intra-Ba'th struggle is at its most intense, and the army is being torn by sectarian privileges and excesses. There are breakdowns everywhere. Truthfully, everything is also a reflection of the historic transformation that is being forged and rushed into maturity by the fighting new leaders.

In Damascus and from Damascus a special team set out to go to Aachen in West Germany to kill a woman whose only fault was that she was preparing meals for her activist husband, looking after his children and organizing his papers.

The wife is Binan al-Tantawi, the daughter of the venerable Muslim scholar, 'Ali al-Tantawi. The husband is Mr 'Isam al-'Attar, one of the historical leaders of the Muslim Brothers movement. Ever since the movement's inception in Syria, he has been close to Dr al-Siba'i, the movement's inspector general. In 1954 after Dr al-Siba'i left Syria and went to Europe to study, Mr 'Isam assumed the responsibilities of deputy inspector general. He assumed the same responsibilities in 1957 when Dr al-Siba'i became ill. However, he was officially elected inspector general of the Muslim Brothers in 1961. In the same year he became a representative for Damascus in the last legitimate Syrian parliament. He was barred from entering Syria on his way back from the pilgrimage in 1964.

(For more on 'Isam al-'Attar see the report on "The Islamic Revolution in Syria," AL-MUKHTAR AL-ISLAMI No 16).

Today, AL-MUKHTAR AL-ISLAMI is going to present to its readers this interview that was conducted with Mr 'Isam by an Arab journalist. This is an interview with a husband and an activist about the wife who lost her life in the fight with the infidels; this is an interview about the struggle and about the survival of the revolution.

Wife's Death Discussed

Cairo AL-MUKHTAR AL-ISLAMI in Arabic No 25, 17 Jun 81 pp 30-32

[Interview with 'Isam al-'Attar]

[Text] [Question] Did your late wife know that she was in danger?

[Answer] Yes. Previous assassination attempts made no distinction between me and any members of my family who might be with me. News that came to us from various sources affirmed that we were in serious danger, in varying degrees, and that we were all targets for murder by various means and methods.

[Question] Was your late wife afraid and did she wish that you would leave the life of struggle and activism which you have been living for years and lead a more secure, more comfortable and a more tranquil life?

[Answer] My wife, may God have mercy on her soul, used to fear for me and for her two children, Hadiyah and Ayman. But she did not fear for herself. She was fully prepared to give up her life for her religion, her nation, her country, her husband and her family.

We've been married for 22 years and not once while we were settled at home or on a journey, in sickness or in health, in good times or in bad times have I heard her ask me to give up the holy fight for God Almighty and to prefer security, comfort and tranquillity to a life dedicated to pleasing God and the interests of the nation and the country. Instead, she always encouraged me to persevere and to be undaunted. She stood by my side without any hesitation in the harshest and gloomiest days and circumstances.

I remember her telling me after one of the assassination attempts which along with previously obtained information indicated that she and her two children were targeted for death with me by the criminal killers--I remember her [as vividly] as though I could see and hear her now telling me as she held my hand, "Promise me, 'Isam, if the criminal tyrants kill me and kill your children, that you will not allow your grief to weaken your resolve. Promise me that you will continue to fight as you did before with the utmost of power, determination and perseverance. I also promise you, 'Isam--if it is your destiny to die for the cause--that we will follow the course we took together: the course of great Islam. We will follow this course until we obtain one of two good things: dying for the cause or achieving victory and meeting God Almighty and finding Him satisfied with us."

She won God's mercy and favor when she gave up her life for the cause. I am now left to travel this course by myself after losing the companion of my life and my fellow fighter.

[Question] Whom are you accusing of committing this heinous crime?

[Answer] I am not accusing anybody, but the investigation revealed and the public prosecutor announced that the murderers and the criminals came from Syria. They are affiliated with one of the organizations of the sectarian, dictatorship there. It is the criminal, bloody, sectarian dictatorship in Syria that is responsible for this.

[Question] What punishment are you asking for the criminal murderers if they are apprehended?

[Answer] I do not pay much attention to the petty criminals. It is the big criminals who must first pay the price [for their crime].

[Question] What about the petty criminals?

[Answer] The punishment decreed by God Almighty for the big criminals is what I ask for the petty criminals. I do not ask nor do I accept any judgment other than God's just judgment. He protects with His just punishment the lives of thousands of innocent people who would [otherwise] be exposed to brutal murder in Syria and everywhere on the earth. If it weren't for this, I would give up every personal right, and I would have pardoned and forgiven them. Nothing can make up for the life of my dear wife. She was more likely to pardon and forgive others; she had a big heart that never felt hatred or resentment toward a human being regardless of his offense. Notwithstanding different circumstances, her heart harbored nothing but pardon and forgiveness, true affection and good will to all people.

[Question] Do you think the killers and criminals will be apprehended?

[Answer] I don't know. Considerable political pressures are being applied by the sectarian dictatorship in Syria and by those regimes that stand and support it and place no value on truth, justice and human beings. They shed the blood of innocent people and do not fear God Almighty. But I will not stand still to any indifference to the criminals. I will not stand still if escape is made easy for them; if the matter is covered up; and if the real motive that is quite obvious to all people is hidden.

[Question] What if despite that, they are able to escape?

[Answer] I will consider every organization or agency that gives them shelter or protection an accomplice in their crime and accountable for it. That crime involved a degree of brutality and baseness that would make beasts in the jungle cringe. They killed an innocent woman, a mother and a wife; they killed her inside her home; she was wearing a housecoat, and she was unarmed; she did not have the means of defending herself. She had committed no offense, and there was no need to kill her. They killed her not with one, two or three bullets, but five. They shot her twice in the head; once in the neck; once in the shoulder and once in the armpit. With grenades and guns in their hands, they stepped over her bleeding body, searching the rooms of the apartment for the remaining members of the family. Had it not been for the protection of God, they could have disposed of the whole family, for the other members of the family were not at home at that

time. They would have killed them all, and Hafiz al-Asad would have been relieved of the responsibility of breaking into the Golan Heights as long as he was able to break into the home of 'Isam al-'Attar and kill one of the most innocent and most honorable women. He killed an Arab Muslim mother and a true, sincere freedom fighter for the cause of God Almighty.

[Question] Was there no security guarding the house when it was broken into and the dear lady was killed? What happened to the tight security that you had before?

[Answer] When I was positively forbidden before last Christmas from practicing any political activity, the security around my house was simultaneously removed. My family and I were left alone to face death, and we had nothing in our possession or in our home with which we could defend ourselves.

It seems that the Arab and Islamic course which we are pursuing has no appeal in the west or in the east or among the followers of either. Hence stem the difficult conditions from which we have suffered and from which we are still suffering all the time and everywhere.

[Question] A few foreign journalists are wondering if you will continue your active struggle after this horrible crime and this grievous blow that befell you and your family?

[Answer] I confess to you that this blow has cut me to the quick and that it has actually destroyed the mainstay of my family and my home. My suffering and my grief for Umm Ayman is unlimited. May God have mercy on her soul, she was a wife, a friend, a companion and a constant partner in every part of our private and public life. I would like to go on record here and to say for history's sake, in front of God Almighty and in front of Arabs and Muslims that Binan al-Tantawi, Umm Ayman, was largely responsible for every accomplishment I realized since we got married and for every position I assumed for the cause of God Almighty, in the service of great Islam and in the service of Arabs and Muslims.

As far as going on with the struggle is concerned, Let me give you the answer I gave to a few German journalists who asked me a similar question.

[I told them] if they killed all the members of my family one by one in front of me and if they killed me 1,000 times and I were to come back to life, I would fight for the cause of God.

We have all given our lives to God Almighty. Our dearly beloved Binan, whom we have lost for the cause, has gone before us to Paradise. When God wills it, we will meet again and we will be in the company of the prophets, the prophet's friends, those who have died in the cause of God and good people. There can be no better company than that of those. We would be very happy to die for the cause of God, and we long for such a death. Giving up our lives is our way of doing our duty, achieving victory and meeting the loved ones who went before us.

Tell your readers, my brother, wherever they are on the earth, tell them for me and my family that our faith, thank God, is stronger than the pain, the misfortunes and the blows. Tell them that our right and our just cause are stronger than bullets and death. Tell them that we do not fear the criminal murderers who are ruling in Damascus. We defy those murderers in Damascus--from the biggest comrade to the smallest follower. My chest is unprotected, and they can shoot me any time and anywhere. Let them shoot me in the chest or in the head as they shot my wife. Their bullets will carry me to Paradise and hurl them to the lowest depths of hell. These bullets will bring an end to their corrupt, criminal, bloody, dictatorship. It is enough for me that I meet my Almighty Maker after my wife and that I find Him satisfied with me.

[Question] Will your course of action be altered under the influence of this great tragedy?

[Answer] No. My course of action will not be altered under the influence of this great tragedy. My actions are never motivated by emotions, feelings and private influences; nor are they motivated by personal circumstances and considerations regardless what these circumstances and considerations are. My actions are always motivated by objective, disinterested considerations that are gauged by great Islam, by Arab and Muslim interests and by the interests of all human beings everywhere in the world. After that my family and I are sacrificing our lives for the truth and the considered legitimate interests that have and do become evident; we are sacrificing our lives for our solemn course: the independent, distinguished, upright course of Islam.

[Question] Is there anything else you would like to say to conclude this interview?

[Answer] Yes. I am not thinking now nor did I think in the past only of my wife or my family. To me every woman who loses her life in Syria or in any Islamic country is as dear to me as Binan, and every orphan girl or boy are as dear to me as Hadiyah and Ayman are.

Thousands of good men, pure women and innocent children have lost their lives in Syria. To me those people were dearer to me than myself, and they were like my relatives and my family.

There are now in Syria over 10,000 men and women prisoners and detainees about whom the world knows almost nothing. Most of these innocent prisoners and detainees are being liquidated by the lackeys of the sectarian dictatorship in droves, one after the other. They are being massacred in massacres like the Tudmur massacre. These are fearful massacres, unseen by human eyes.

Through the free honorable media I am appealing to the conscience of the whole world; I am appealing to the international amnesty and human rights committees, to all concerned international organizations and to every free person on the face of the earth to take action that would save thousands of innocent people before it is too late.

Arabs and Muslims, I assure you the sectarian dictatorship that exists in Syria today will not last. We will bring down this criminal government, and we will give back the people their freedom and their rights. We will establish, God willing, an Islamic life and an Islamic government that express the people's conviction, their will and their choice. Tell the faithful the good news.

Appeal to World Made

Cairo AL-MUKHTAR AL-ISLAMI in Arabic No 25, 17 Jun 81 pp 33-36

[Article by 'Isam al-'Attar written in Aachen, West Germany, dated 1 April, 1981]

[Text] I am not making this appeal as one of the leaders of my country, as one of the Muslim leaders or as a leader of one of the Islamic movements in the world. I am making this appeal as a human being, a husband, a father and a citizen without any other qualities or titles. If the clear word of truth cannot be heard or accepted unless it is linked with attributes and titles or unless it is backed by armies, tanks and airplanes, then we can say goodbye to truth, justice, humanity and its supreme values as well as to the human race and its future on this earth.

The bloody dictatorship that exists now in Syria has killed my wife, Binan al-Tantawi, the mother of my children, the mainstay of my family and my life. This sinful, dictatorial government has killed her in West Germany, in Aachen, in clear daylight. Through the German investigating authorities and the various media the whole world has found out about this blood-curdling crime.

My wife, Binan al-Tantawi, is a 37-year old housewife who lived her life with me in exile. Like me, she was forbidden from entering our country and going back to our town, our home and our families since 1964. My wife Binan, as all those who know her in our country and in the West will attest, is a good woman. She never harbored in her heart hatred to any person. She never harmed a friend or an enemy. She wanted people everywhere to be happy, and she made an effort to help everyone she could help without hesitation. She did not boast about helping others; she sought no favors from those she helped; and she sought no reward except that which God Almighty would grant her.

My wife was an affectionate, sensitive person. She would weep profusely for people's suffering. She was, nevertheless, always brave and optimistic. She loved her small, homeless family; her faraway venerable parents and her blood brothers [and sisters] in God Almighty. She loved an honorable, positive, fruitful life. Despite our difficult circumstances, she was always hopeful and smiling.

This wife, mother, dutiful daughter and faithful, good human being who was full of affection, optimism and life was the innocent victim of Hafiz al-Asad and his criminal gang of human beasts who are now ruling Syria.

Three individuals, who are members of this gang, entered the building in which we live in the city of Aachen on 17 March 1981. They got hold of one of our simple neighbors and after threatening to kill her, they forced her to knock on the door of our apartment so that my wife would open the door after seeing that it was our neighbor who was knocking. My wife was alone at home, and we did not have anything at home with which we could have protected or defended ourselves. My wife looked through the peephole and saw her good neighbor. She was reassured, and she opened the door. The beasts killed her immediately. They killed her even though she had committed no offense and there was no need to kill her. They shot her not once, twice or three times; they shot her five times. They shot her twice in the head; once in the neck; once in the shoulder; and once in the arm-pit. With grenades and guns in their hands they stepped over her bleeding body to search the rooms of the apartment for the remaining members of the family. Had it not been for the protection of God, they could have disposed of the whole family. Had not the other members of the family been away from home at the time, they would all have been killed without exception, and the whole family would have been wiped out. The reason for that is that the head of this household opposes the dictatorship in Syria and everywhere. He is popular, and people in Syria, in the Arab countries and in the other Islamic countries support him and have confidence in him.

This brutal crime, which, as I said, the whole world has found out about, is a very small illustration of the thousands of various brutal crimes that are committed by the sectarian dictatorship in Syria in prisons, detention camps, torture chambers, homes, markets, streets and public squares out of sight of the outside world. The conscience, the spokespeople and the writers of the outside world are not moved by all this when they see it.

What is the reason for this fearful silence? Why is this brutal crime that was committed in the city of Aachen in front of the whole world not being denounced? The world felt this crime; its perpetrators were discovered by western investigators and not by Syrians, Arabs or Muslims.

What is the reason for this fearful silence? Why are these brutal crimes and wholesale massacres which are arranged by the bloody, sectarian dictatorship in Syria being curiously ignored?

Are the silence and indifference due to the fact that the innocent blood that was shed in Aachen--and is still being shed in the various cities of Syria--is mostly Islamic blood? Are the silence and indifference due to the fact that Islamic blood has no value in the western and the free world?

Are the silence and indifference due to the fact that the blood that has been spilled--and is still being spilled--is Arab blood? Are the silence and indifference due to the fact that for the west Arab blood has the same value as Islamic blood?

Are the silence and indifference due to the fact that the blood that has been spilled--and is being spilled--is the blood of "creatures" from the Third World? Are the silence and indifference due to the fact that the

creatures of the Third World--whose raw materials are of interest to the west--are considered less than human?

I wonder [about this], living in exile in the west, threatened with death along with the rest of my family. In the aftermath of the Aachen crime which I cannot describe and after the more horrible crimes that are being perpetrated in my country by the thousands, I wonder [about this] as a human being, as a mere human being, without any other attributes: Where is the conscience of the world?

Where is the conscience of the whole world in general? Where in particular is the conscience of the world that describes itself as the free world, the world which reacts with sensitivity and force to simple, limited incidents of injustice if its special interests call for action and if such incidents befall certain people who espouse a few religions and who are citizens of a few countries. Where is this conscience? Why did it not take action for the horrible crimes that are being committed in our country and that move hearts of stone?

Where are the thinkers, the intellectuals and the free writers who usually articulate the conscience of the world inasmuch as they are truthful, honest and aware? Those people must always be the spokespeople for this articulate conscience, for its expressive pen and for its vital voice which is heard everywhere, demolishing the basic elements of injustice and tyranny wherever they may be?

Where are the authorized international organizations? Where are the international amnesty and human rights committees? Where are the universal and local organizations that are interested in people and in defending people behind any barriers and beyond any considerations?

I am holding the whole world responsible in the case of the brutal crimes and the alarming, wholesale and individual liquidations that are being perpetrated by the Syrian dictatorship inside Syria and abroad. I am holding the whole world responsible, not from a personal, national or ethnic perspective, but from a common human perspective which is linked with every person worthy of that noble and honorable name and attribute.

I deeply believe that the awakening of the world's conscience and a stance by the free people of the world against such horrible crimes--wherever they may occur on the earth--is a necessity for the deliverance of the whole world which can then pursue a course for a secure and a better future. It is for this reason that I am making this appeal to the conscience of the world.

'Isam al-'Attar, husband of the late Binan al-Tantawi

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END

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